

**UNEMPLOYMENT INSURANCE**

*2003-2004*



**A REPORT BY THE INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT**



# UNEMPLOYMENT INSURANCE BOARD

2003 – 2004 ANNUAL REPORT

Presented to:

**Governor Mitchell E. Daniels, Jr.**  
and the  
**Indiana General Assembly**

By the Unemployment Insurance Board:

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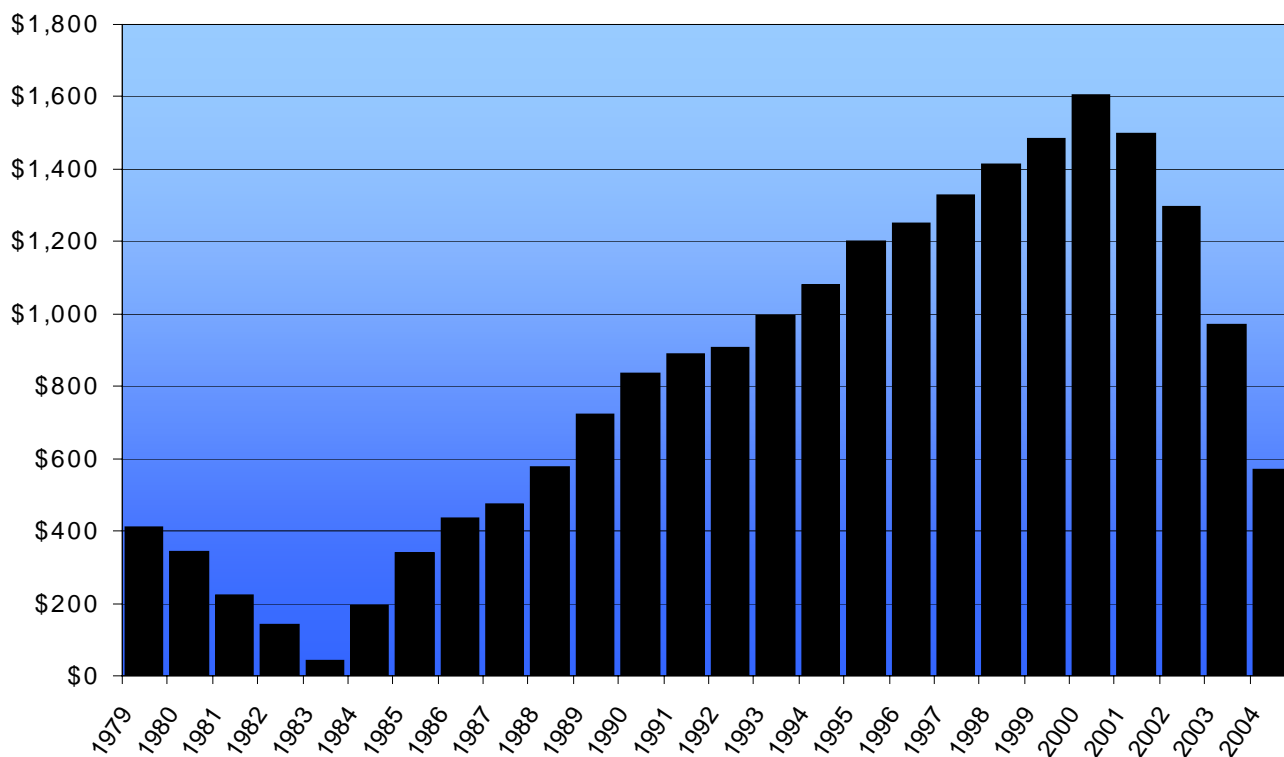
The Indiana Unemployment Insurance Board is established by law and consists of nine (9) members appointed by the Governor who serve staggered four-year terms. The Board consists of a cross-representation of the workforce. There are four (4) labor members that represent the concerns of Indiana working families; two (2) members representing the interests of small employers; two (2) members representing the interests of large employers; and one (1) member that represents the state and the public-at-large.

The Board is responsible for presenting this *Annual Report* to the Governor regarding the Unemployment Insurance Program and the status of the three (3) Unemployment Insurance Funds: the Unemployment Insurance Trust Fund, the Employment and Training Services Administration Fund, and the Special Employment and Training Services Fund.

Unemployment Insurance (UI) programs were established in 1938 to cushion the impact of an economic downturn for workers and their families and help bring economic stability to businesses and communities. Contributions are collected from employers and held for the states in the unemployment insurance trust fund in the US Treasury. Excess money is accumulated during periods of expansion and disbursed during periods of contraction. The trust fund provides a stable funding source for financing unemployment benefits.

Indiana's trust fund balance was \$701,691,782 on June 30, 2004. This is the fourth year that the trust fund balance declined (see Chart 1).

**Chart 1: UI Trust Fund Balance (Millions)  
June 1979 – June 2004**



Several key factors, when combined, have greatly influenced the decline in Indiana's trust fund balance over the past four fiscal years. The following compares data between the time period of July 2000 through June 2004 and July 1996 through June 2000:

- ▲ Number of weeks compensated – The number of weeks compensated over the last four fiscal years was 10 million. This was an increase of 94%. As a result, over \$2.5 billion in unemployment benefits were distributed to Hoosier workers from July 1, 2000, through June 30, 2004. This was an increase of 147%.



▲ Average duration – The average duration increased by 2 weeks to 12.8 weeks.

▲ Interest – As the trust fund balance dropped, the earned interest dropped accordingly. Interest decreased by 18.6 %.

In addition to the factors mentioned above, the maximum benefit amount increased steadily over this time period. As a result the average weekly benefit amount in FY 2004 was \$257.16, an increase of \$78.79 over the \$178.37 paid in FY 1997.

Benefits increased by \$1,509 million (147%) but contributions plus interest increased only \$200 million (18.3%).

The following chart illustrates the increase in the amount of regular benefits paid over the last eight fiscal years.

**Chart 2: Amount of Benefits Paid in Millions  
by Fiscal Year, July 1997 – June 2004**

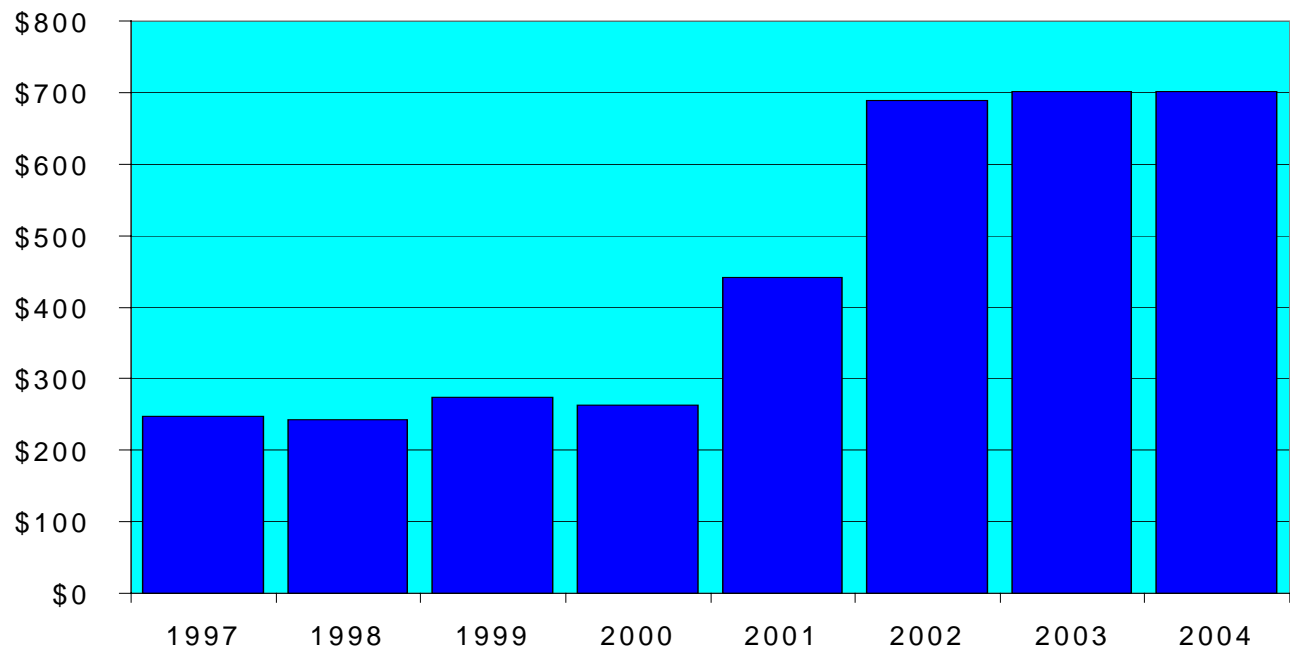


Table 1 shows comparisons of Indiana's UI Trust Fund transactions and balances over the last four fiscal years.

**Table 1: Comparison of UI Trust Fund Transactions**  
**12 Months Ending June 30, 2001, 2002, 2003 and 2004**

	2001	2002	2003	2004
<b>Benefits Paid (millions)</b>	<b>\$441.7</b>	<b>\$688.2</b>	<b>\$701.4</b>	<b>\$702.0</b>
<b>Contributions (millions)</b>	<b>\$259.7</b>	<b>\$242.3</b>	<b>\$326.8</b>	<b>\$434.2</b>
<b>Federal Interest (millions)</b>	<b>\$102.5</b>	<b>\$ 86.5</b>	<b>\$ 68.1</b>	<b>\$45.7</b>
<b>Balance (millions)*</b>	<b>\$1,499.8</b>	<b>\$1,297.7 **</b>	<b>\$971.8</b>	<b>\$701.7</b>

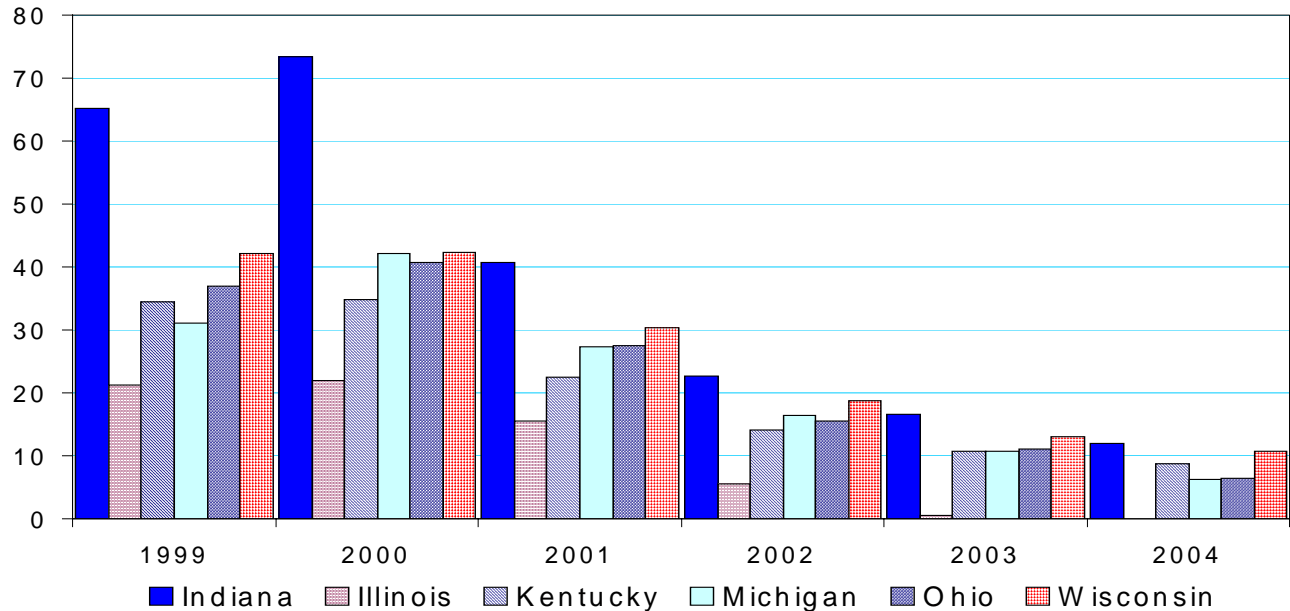
\* Balances cannot be calculated from prior year's balance due to accounting adjustments.

\*\* Includes \$175 million in economic stimulus funding.

Indiana's trust fund has remained solvent. As of June 30, 2004, four states (Illinois, Minnesota, New York and North Carolina) were borrowing money from the federal government. At the end of the fiscal year Indiana was capable of paying 12 months of benefits without another contribution to the trust fund, as long as payments continue at their current level. As of June 30, 2004, Indiana ranked 30th in the nation in the number of months of benefits in the trust fund.

Chart 3 compares Indiana's trust fund to the trust funds in neighboring states. Indiana continues to rank higher than neighboring states although the trust fund balance has dropped at a faster rate.

**Chart 3: Months of Benefits in the Trust Fund for Indiana and Neighboring States June 30, 2004**



One reason for the volatility in Indiana's trust fund is the large percentage of employees in the manufacturing industry. Chart 4 shows the percentage of workers in manufacturing jobs for Indiana and its neighboring states. In calendar year 2003 Indiana ranked first in the nation in the percentage of workers in manufacturing industries with 20.3%, followed next by number two Wisconsin at 18.8%, and Michigan ranked third at 16.7%.

**Chart 4: Percentage of Employment in Manufacturing in Indiana and Neighboring States in Calendar Year 2003**

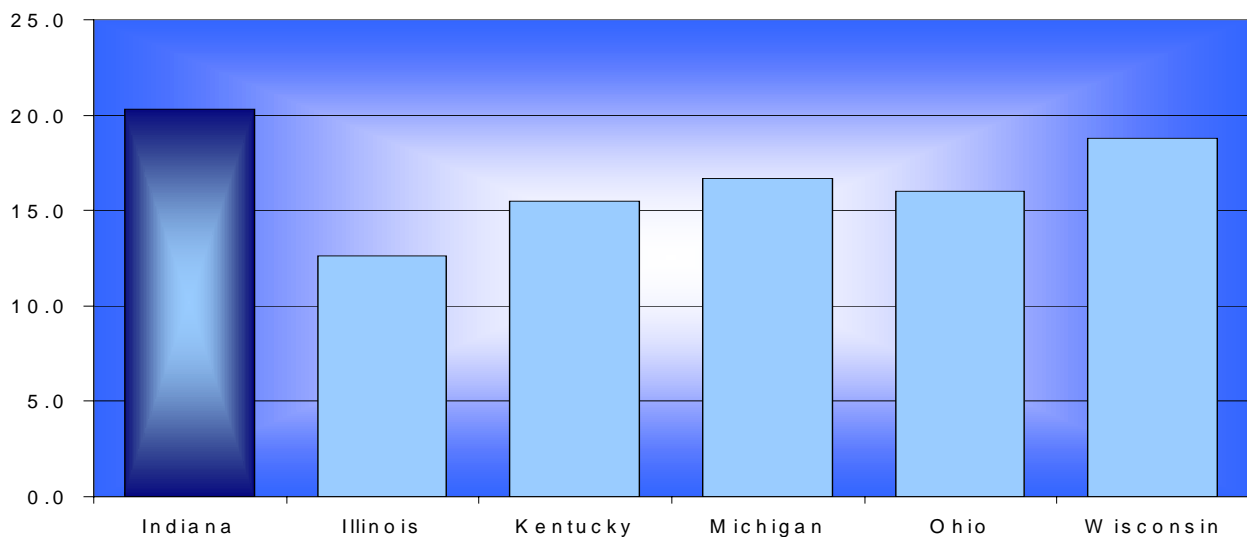


Table 2: *Three Year Comparison of Key Factors and Indiana's National Ranking* compares selected UI indicators taken from the US Department of Labor's *UI Data Summary* for the twelve-month periods ending June 30, 2001 – 2004.

**Table 2: Three Year Comparison of Key Factors and Indiana's National Ranking**

	2002	2003	2004	'03 to '04 % of Change
<b>Benefits paid (millions)</b>	<b>\$688.20</b>	<b>\$701.37</b>	<b>\$702.01</b>	<b>0.09%</b>
<i>National Rank</i>	19	18	15	
<b>Weeks compensated (millions)</b>	<b>2.8</b>	<b>2.8</b>	<b>2.7</b>	<b>-3.57%</b>
<i>National Rank</i>	19	19	17	
<b>Average duration (weeks)</b>	<b>13.5</b>	<b>13.3</b>	<b>13.9</b>	<b>4.51%</b>
<i>National Rank</i>	40	48	47	
<b>Average Weekly Benefit Amount (AWBA)</b>	<b>\$251.19</b>	<b>\$260.08</b>	<b>\$264.81</b>	<b>1.82%</b>
<i>National Rank</i>	22	18	15	
<b>Average Weekly Wage (AWW)</b>	<b>\$607.64</b>	<b>\$622.91</b>	<b>\$637.62</b>	<b>2.36%</b>
<i>National Rank</i>	27	27	29	
<b>AWBA as Percent of AWW</b>	<b>41.5%</b>	<b>42.2%</b>	<b>41.2%</b>	<b>-2.37%</b>
<i>National Rank</i>	22	19	15	
<b>Revenue (millions)</b>	<b>\$242.30</b>	<b>\$326.83</b>	<b>\$434.22</b>	<b>32.86%</b>
<i>National Rank</i>	21	18	20	
<b>Wages paid (billions)</b>	<b>\$89.50</b>	<b>\$90.55</b>	<b>\$92.33</b>	<b>1.97%</b>
<i>National Rank</i>	16	16	16	
<b>Tax rate on total wages</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.5%</b>	<b>66.67%</b>
<i>National Rank</i>	45	43	39	
<b>Tax rate on taxable wages (Estimated)</b>	<b>1.1%</b>	<b>1.2%</b>	<b>1.9%</b>	<b>58.33%</b>
<i>National Rank</i>	41	35	23	
<b>Covered employment (millions)</b>	<b>2.833</b>	<b>2.796</b>	<b>2.785</b>	<b>-0.39%</b>
<i>National Rank</i>	14	14	14	
<b>Total unemployment rate</b>	<b>4.9%</b>	<b>5.0%</b>	<b>5.2%</b>	<b>4.00%</b>
<i>National Rank</i>	31	36	28	
<b>Months of benefits in UI Trust Fund</b>	<b>22.6</b>	<b>16.6</b>	<b>12.0</b>	<b>-27.71%</b>
<i>National Rank</i>	20	23	25	
<b>Average High Cost Multiple (AHCM)</b>	<b>1.47</b>	<b>1.24</b>	<b>0.83</b>	<b>-33.06%</b>
<i>National Rank</i>	10	14	20	

For further information and/or more current UI Trust Fund data, please contact UI Statistics at 317/232-7706 or visit the US Department of Labor's (USDOL) web site at the following address: <http://workforcesecurity.doleta.gov/unemploy/content/data.asp>.

The Employment and Training Services Administration Fund is used to pay the administrative costs of Indiana's employment security programs. In addition to Unemployment Insurance, these programs include: Labor Market Information, which collects, analyzes, and reports on employment statistics; UI Statistics, which collects, analyzes, and reports on unemployment statistics; Employment Services, which provides job counseling and matches job seekers with employers; and employment services for veterans.

Funding for the Administrative Fund is derived from taxes established by the Federal Unemployment Tax Act (FUTA) and paid by employers to the Internal Revenue Service. The FUTA tax is 6.2% of the first \$7,000 paid to each employee in a calendar year. The employer is eligible for a 5.4% credit against FUTA taxes if the state program operates in conformity with the federal law. Employers must pay state unemployment taxes on time in order to receive the full 5.4% credit toward their FUTA tax.

The USDOL allocates funding for the Administration Fund to ensure proper and efficient administration of the state's employment security programs. The USDOL uses a formula based on workload to determine the amount of funding allocated to the states. That formula is applied to congressional appropriations to determine each state's funding.

For FY04 the Indiana Department of Workforce Development (DWD) had a \$1.7 million decrease in UI Base Funding and received a total of \$51.4 million in Employment Service Activities Funds. It is anticipated that FY05 UI Base Funding will increase by \$1.5 million.

DWD is currently in the third year of using the special one-time UI Reed Act distribution of \$174,573,012, which the Indiana legislature has approved for several uses. This funding provides a special opportunity for Indiana to diversify and strengthen its economy and improve Unemployment Insurance services. DWD was approved to use \$72.2 million for specific programs and \$102.4 million for the Unemployment Trust Fund Benefits. DWD received approval for the following primary uses of these funds through HEA 1001 signed May 8, 2003:

- ▲ \$25 million to meet the workforce needs of Hoosier employers who have occupations that are high wage, high skill, and in high demand—\$5 million a year for five (5) years ending June 30, 2008.
- ▲ \$8 million for use by the Workforce Investment Boards (WIBs) in administration of Indiana's public employment offices—\$4 million a year for two (2) years ending June 30 2005.
- ▲ \$39.2 million to modernize and simplify the Unemployment Insurance system over ten (10) years ending June 30, 2013.
- ▲ \$102.4 million remains in the Trust Fund for solvency and to be available for future UI benefits.

Penalties and interest collected on employers' delinquent UI taxes are deposited in the Special Employment and Training Services Fund. The UI Board may use monies in this fund to reimburse interest and penalties improperly collected; the costs of administration, which cannot be charged to federal grants or other funds received; and for unemployment prevention programs. Expenditures from the special fund cannot be made until the UI Board finds that no other funds are available that can be properly used to finance such expenditures. This fund's uncommitted balance as of December 31, 2004, was \$10,726,223.

State tax funding for the Unemployment Insurance (UI) program is provided through a payroll tax on Indiana employers who are liable under the Indiana Department of Workforce Development Act. The Indiana tax-rating system provides for variable tax rates for employers based on each employer's individual unemployment account history and the past year's statewide unemployment activity. A ratio is calculated for each taxable employer based on their account experience balance (tax paid less benefits charged) and recent taxable wages reported. This ratio is then applied to a rate schedule determined each year by the economic conditions within the state. This ratio is applied to determine each employer's tax rate for the year.

Provisions of the law may affect employer tax rates such as the number of years or months an employer has been subject to Indiana's law, recent reporting activity, and delinquent report/tax status. Other factors, including benefits paid to former employees, voluntary payments, and the complete or partial sale and/or purchase of other businesses by the employer also impact each employer's rate.

While the Federal Unemployment Tax Act (FUTA) establishes a fixed tax rate, the state tax is determined by using a two-step experience rating system. This is similar to business insurance in that a risk assessment is made each year before the tax rate is assigned for the following year.

The tax rates are computed using the following steps:

- 1. Annually determine the applicable rate schedule to be applied to all employers.** Schedule B was used for calendar year 2004.

In the absence of legislative action, a calculated fund ratio determines the schedule to be used. The fund ratio is a numerical evaluation of the UI Trust Fund balance as of September 30 divided by the total payroll of all subject Indiana employers for the preceding calendar year. The fund ratio is applied to the Fund Ratio Schedule (IC 22-4-11-3(a)), which is used to determine the applicable tax schedule. The following is an example of the ratio calculation:

The following represents 2004's fund ratio computation:

\$ 849,220,820.69	(fund balance as of Sept 30 <sup>th</sup> determination date)		
<hr/>			
\$75,505,011,618.43	(total gross payroll reported by all subject employers for calendar year 2003)	=	1.12472

Schedule B is used when the fund ratio is as much as 1.5% but less than 2.5%

## 2. Determine experience rate calculations for each employer.

Employers with credit reserve balances (state UI taxes paid exceed benefits charged) in their account are evaluated by comparing this balance with the thirty-six (36) months prior to the computation date total taxable wages reported, giving the credit reserve ratio. This ratio formula is used to determine each individual employer's tax rate according to the Rate Schedule for accounts with credit balances. The tax rates will range from 0.10 percent to 3.1 percent in schedule B for these employers. Below is an example of an employer with a credit rate balance.

Employer A has an experience account credit balance of \$3,562 and a thirty-six (36) month total taxable wages of \$825,000. Employer A's credit reserve ratio is .43%. Because .43% is between 0.4% and 0.6% on the Credit Balance of Schedule B, 2.7% is the correct contribution rate for Employer A.

$$\text{Credit Reserve Ratio} = \frac{\$ 3,562 \quad (\text{experience account balance})}{\$ 825,000 \quad (36 \text{ month total of taxable wages})} = .43\%$$

Employers with a debit balance account (UI benefits charged exceed the taxes collected) are evaluated and a tax rate is assigned in accordance with the Rate Schedule for accounts with debit balances. The tax rates will range from 4.3 percent to 5.5 percent in schedule B for these employers. The following is an example of an employer with a debit experience balance.

Employer B has an experience account deficit balance of \$6,000 and a thirty-six (36) month total taxable wages of \$725,000. Employer B's debit reserve ratio is .83%. Because .83% is less than 1.5% on the Debit Balance of Schedule B, 4.2% is the correct contribution rate for Employer B.

$$\text{Debit Reserve Ratio} = \frac{\$ 6,000 \quad (\text{experience account balance})}{\$ 725,000 \quad (36 \text{ month total of taxable wages})} = .83\%$$



The unemployment insurance contribution rates for the following year are computed based on each employer's account status as of June 30, the computation date, and the past thirty-six (36) months of payroll. In order to qualify for a merit rate or lower rate, an employer must meet the following requirements:

- A. (New Employer) The employer must have been covered by the Indiana Code Title 22 Chapter 4 for thirty-six (36) consecutive months immediately preceding the computation date. If this requirement has not been met, the employer's rate cannot be less than 2.7 percent.
- B. The employer must have had payroll in each of the three (3) twelve-month periods immediately preceding the computation date. If this requirement is not met, the employer's rate cannot be less than 2.7 percent.
- C. The employer and any predecessors must file all required quarterly reports through the quarter immediately preceding the computation date and pay the contributions, interest, and/or penalty owed for these quarters.

If this last requirement is not met, the employer's rate shall not be less than 5.5 percent. This rate is divided into two (2) parts, a computed tax rate and a penalty rate. Whichever is less, 1 percent of the rate or the difference between the computed and penalty rate, is used to calculate the Requirement C penalty amount. This penalty amount is deposited into the Special Employment and Training Fund and is not included in the employer's experience balance.

The table on page 14, *Demographics of UI - Covered Employers*, provides a breakdown of all employers (not including reimbursable employers). It is based on Schedule B for 2004 which has tax rates of 0.1% to 5.5%.

**Table 3: Demographics of UI Employers**  
**Schedule B for Rating Year 2004**  
*(Does not include reimbursable employer accounts)*

Experience Factor	Current Rate Schedule B	Number of Employers	Percent of All Employer Accounts	Cumulative Number of Employer Accounts	Cumulative Percent of Employer Accounts To All Employer Accounts	Taxable Payroll (\$000)	Percent of All Taxable Payroll	Cumulative Taxable Payroll of Employers (\$000)	Cumulative Percent of Taxable Payroll of Employers to Taxable Payroll of All Employers	Annual Tax Per Employee
<b>Demographics of Credit Balance Employers</b>										
3.00 & over	0.1%	26,577	22.7%	26,577	22.7%	\$1,095,232	6.1%	\$1,095,232	6.1%	\$7
2.80-2.99	0.3%	3,497	3.0%	30,074	25.7%	\$210,672	1.2%	\$1,305,904	7.3%	\$21
2.60-2.79	0.5%	4,188	3.6%	34,262	29.3%	\$332,172	1.9%	\$1,638,076	9.1%	\$35
2.40-2.59	0.7%	5,906	5.0%	40,168	34.3%	\$451,605	2.5%	\$2,089,681	11.7%	\$49
2.20-2.39	0.9%	5,020	4.3%	45,188	38.6%	\$866,999	4.8%	\$2,956,680	16.5%	\$63
2.00-2.19	1.1%	5,015	4.3%	50,203	42.9%	\$1,168,530	6.5%	\$4,125,210	23.0%	\$77
1.80-1.99	1.3%	4,436	3.8%	54,639	46.7%	\$1,200,545	6.7%	\$5,325,755	29.7%	\$91
1.60-1.79	1.5%	3,559	3.0%	58,198	49.7%	\$1,259,026	7.0%	\$6,584,781	36.8%	\$105
1.40-1.59	1.7%	2,761	2.4%	60,959	52.1%	\$1,300,605	7.3%	\$7,885,386	44.0%	\$119
1.20-1.39	1.9%	2,214	1.9%	63,173	53.9%	\$1,061,731	5.9%	\$8,947,117	49.9%	\$133
1.00-1.19	2.1%	1,822	1.6%	64,995	55.5%	\$905,768	5.1%	\$9,852,885	55.0%	\$147
0.80-0.99	2.3%	1,611	1.4%	66,606	56.9%	\$756,633	4.2%	\$10,609,518	59.2%	\$161
0.60-0.79	2.5%	1,436	1.2%	68,042	58.1%	\$705,086	3.9%	\$11,314,604	63.2%	\$175
0.40-0.59	2.7%	1,174	1.0%	69,216	59.1%	\$474,471	2.6%	\$11,789,075	65.8%	\$189
0.20-0.39	2.9%	1,034	0.9%	70,250	60.0%	\$388,868	2.2%	\$12,177,943	68.0%	\$203
0.00-0.19	3.1%	1,315	1.1%	71,565	61.1%	\$687,839	3.8%	\$12,865,782	71.8%	\$217
<b>Total Credit Balance Employers</b>		<b>71,565</b>	<b>61.1%</b>			<b>\$12,865,782</b>	<b>71.8%</b>			
<b>Demographics of Debit Balance Employers</b>										
less than 1.5	4.3%	4,668	4.0%	4,668	4.0%	\$1,583,656	8.8%	\$1,583,656	8.8%	\$301
1.50 - 2.99	4.6%	2,861	2.4%	7,529	6.4%	\$653,741	3.6%	\$2,237,397	12.5%	\$322
3.00 - 4.49	4.9%	1,766	1.5%	9,295	7.9%	\$383,250	2.1%	\$2,620,647	14.6%	\$343
4.50 - 5.99	5.2%	1,210	1.0%	10,505	9.0%	\$241,859	1.3%	\$2,862,506	16.0%	\$364
6.00 & over	5.5%	6,050	5.2%	16,555	14.1%	\$919,872	5.1%	\$3,782,378	21.1%	\$385
<b>Total Debit Balance Employers</b>		<b>16,555</b>	<b>14.1%</b>			<b>\$3,782,172</b>	<b>21.1%</b>			
<b>Demographics of Specially Rated Employers</b>										
Governmental	1.0%	19	0.0%	19	0.0%	\$464	0.0%	\$464	0.0%	\$70
Delinquent Employers	5.5%	6,517	5.6%	6,536	5.6%	\$381,708	2.1%	\$382,172	2.1%	\$385
<b>Total Specially Rated Employers</b>		<b>6,536</b>	<b>5.6%</b>			<b>\$382,172</b>	<b>2.1%</b>			
<b>Demographics of New Credit Balance Employers</b>										
New Credit Balance Employers	2.7%	22,452	19.2%	22,452	19.2%	\$885,399	4.9%	\$885,399	4.9%	\$189
<b>Total All Subject Employers</b>		<b>117,108</b>	<b>100.00%</b>			<b>\$17,915,731</b>	<b>100.00%</b>			

The Department of Workforce Development's (DWD) *Advance Indiana* is a nationally recognized program that provides valuable training assistance to thousands of Hoosier workers. The Council of State Governments recognized *Advance Indiana* as one of the premier incumbent worker training systems in the country in 2002, and it was ranked ninth best in the country in 2004 by *Expansion Management* magazine.

DWD consolidated its incumbent worker training programs in 1999 into one program—*Advance Indiana*—with the purpose of promoting lifelong learning and increasing the skills and productivity of the Indiana workforce. The program has grown from \$5.3 million annually in awards to \$18.2 million in program year 2003 (July 1, 2003 to June 30, 2004). To date, \$62,763,909 has been awarded on 532 projects to train 55,531 Hoosier workers.

DWD staff collaborates with business and community leaders to identify strategic training projects that will benefit the state, region, or local community. Local grass-roots efforts such as the tool and die project in Southwest Indiana, are excellent examples of this collaboration. Working with the local tool and die shops, the Southwest Indiana Business Development Center and the University of Southern Indiana identified reduction in costs as critical to the competitiveness of the local tool and die industry. The companies agreed that continuous process improvement training would reduce costs and improve efficiency. With a financial commitment from the companies and a \$96,470 *Advance Indiana* training grant, the first group of students enrolled in training in January 2004. Terry DeHart, who works at Berry Plastics, praised the training. He said, *"Our training has forced us to pick some projects for improvement, and through our training and project work, we were able to identify some problems, analyze viable alternative solutions, and choose the best alternative to solve the problem and enhance our effectiveness and efficiency. By working as a team we have become more organized and customer focused."*

Currently, *Advance Indiana* training grants are financed from the penalties and interest on delinquent unemployment insurance taxes as well as incumbent worker training assessments and federal Workforce Investment Act (WIA) funds. The Unemployment Insurance Board approves all training grants except for those projects using federal dollars.

*Advance Indiana* is very flexible in terms of the types of training it can help fund. Ultimately, training must result in a portable skill credential for the employee. Credentials document the proficiencies of the worker and are valuable to employers and employees for job growth and career development. Examples of portable credentials include college degrees, apprenticeships, advanced journeymen training, state-issued Certificates of Technical Achievement (CTAs), and other nationally recognized credentials and certifications. Projects may last up to 24 months from the date of the award, and the



maximum grant amount is typically \$200,000.

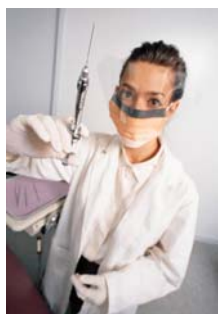
One hundred and thirty-nine new training projects were approved between July 1, 2003 and June 30, 2004 (PY03). This represents an \$18,265,949 investment in training 15,145 Hoosier workers! Employers contributed \$203,856,190 in matching funds toward this worthy endeavor. Students will earn 15,914 credentials that include:

- ▲ 9,228 Apprenticeships/skilled trades upgrade;
- ▲ 2,072 Certificates of Technical Achievement;
- ▲ 389 Associate or higher degrees; and;
- ▲ 4,225 Certifications/certificates.

In some cases, enrollees are pursuing more than one outcome.

One hundred and ninety-seven active training projects during PY03 included 9,783 workers who had completed their training. These students either earned or made significant progress towards earning their credentials. Their credentials included:

- ▲ 7,220 Apprenticeships/skilled trades upgrade;
- ▲ 1,414 Certificates of Technical Achievement;
- ▲ 161 Associate or higher degrees; and;
- ▲ 1,039 Certifications/certificates.



Like most other states, Indiana needs more Licensed Practical Nurses, Registered Nurses, Radiology Technicians, Surgical Technicians, and other specialized health care employees. The latest data from the Labor Market Information (LMI) unit of DWD projects that Indiana will need 14,210 Registered Nurses and Licensed Practical and Vocational Nurses by 2010 simply to replace those leaving the workforce. In addition, Indiana is expected to create another 15,600 new nursing positions. To address the needs of this growing industry, *Advance Indiana* has targeted health care training since 2002.

The *Advance Indiana* program has awarded \$3,101,820 on 23 projects to assist over 90 health care facilities in training 2,206 workers in health care occupations. Credentials have included Licensed Practical Nurses, Degrees in Nursing, Nuclear Medical, Radiology and Surgical Technicians, and Respiratory Therapists.

The health care project with the East Central Workforce Investment Board (ECWIB) illustrates how *Advance Indiana* training grants are making a difference in the health care community. Area businesses, economic developers and workers from five counties identified health care as one of the three industries experiencing skill shortages. To help them reach their goal to increase the skills, licenses, credentials, and wages of 52 health care workers in their region, DWD awarded ECWIB a \$200,000 training grant. Twelve

employers participated in this initiative and 77 health care professionals enrolled in training.

At the end of the project, sixty workers had received a credential. *“The average \$6.59 per hour wage gain, assuming full-time employment and no overtime, conservatively projects a net \$870,774 return on investment after one year,”* Barbara Street, ECIWIB Director said. *“If the wages of the 39 new backfill hires are taken into account, the return on investment would raise to \$1,690,882 – a \$17 return on each dollar expended. This is the type of investment that is a win for everyone – the worker, the company, the local government and the state!”*

The *Advance Indiana* program has also been extremely successful in working with Indiana manufacturers. Seventy-seven percent of the awards and \$37.3 million in training dollars have gone to Indiana manufacturers. Smith’s Aerospace, formerly known as Tri Industries, is an excellent example of *Advance Indiana* helping an employer to grow and to be more productive. Located in Terre Haute, Smith’s Aerospace is using its \$67,225 training grant to train its employees on a new chemical milling process. *“The process uses chemicals to etch parts,”* said John Chrzanowski, Director of Human Resources. *“The process allows Smith’s Aerospace to venture into different markets including producing a duct for military aircraft.”* In June 2004, Smith’s Aerospace received a \$22.9 million military contract for spare aircraft parts for F-15 and F-16 fighter jets.

Indiana, like the rest of the nation, could not escape the effects of the national recession. This recession and the 60,000 manufacturing jobs it has cost our state since 2001, has underscored the importance of the state’s efforts to diversify our economy. Through the state’s *Energize Indiana* initiative, advanced manufacturing, life sciences, logistics (high-tech distribution) and information technology were identified as holding the most promise for revitalizing the state economy. For this reason, *Advance Indiana* has focused training dollars on industries in these four critical areas as outlined in this economic platform. This has included training projects with manufacturers and health care facilities as well as working with Indiana’s substantial pharmaceutical and bio-medical industries, software development, and high-tech distribution.



The transition from working almost exclusively with manufacturing and health care to include all of life sciences, distribution and information technology began in earnest in July 2003. There were challenges. At that time, some Indiana companies were struggling with intense competition, declining budgets, and staff reductions, and they did not have the time or resources to invest in training programs. Despite this, \$36.6 million in awards were made on 269 projects with \$24.2 million directed to the four targeted industries. The following table summarizes each project by industry and includes statistics on the awards, trainees, and company match:

**Table 1: Projects by Industry  
July 1, 2003 through December 31, 2004**

<b>Industry Cluster</b>	<b>Number of Projects</b>	<b>Award Amount</b>	<b>Number of Trainees*</b>	<b>Company Match</b>
Advanced Manufacturing	198	\$ 20,195,083	12,840	\$ 123,743,508
Distribution	8	\$ 872,083	750	\$ 2,131,212
Life Sciences	19	\$ 2,373,508	2,091	\$ 4,230,914
Information Technology	7	\$ 743,183	208	\$ 1,070,151
Other	37	\$ 12,420,608	15,487	\$ 279,016,758
<b>TOTAL</b>	<b>269</b>	<b>\$ 36,604,465</b>	<b>31,376</b>	<b>\$ 410,192,543</b>

\* Some double counts if the trainee is on more than one project.

The innovative life sciences project with Indiana biotech firms demonstrates the progress DWD has made in diversifying its training projects and highlights one of its major accomplishments this year. DWD staff worked together with the Indiana Health Industry Forum (IHIF), IUPUI and Ivy Tech State College (ITSC) to launch a new, highly advanced Biotechnology Associate Degree program.

In recent years, the Food and Drug Administration (FDA) has repeatedly raised its requirements pertaining to the education and skill level of bio-technicians. This led Baxter Pharmaceuticals, Roche Diagnostics, Dow Agra Sciences, and Eli Lilly to pool resources in an effort to design a training program capable of meeting these rigorous standards. They took their ideas and began working closely with IUPUI, ITSC and DWD in an effort to create a standardized program that they, Indiana's other biotech companies, and Hoosiers interested in pursuing careers in biotechnology could utilize.



With the support of the \$504,206 *Advance Indiana* training grant, this degree program was established at ITSC locations in South Bend, Lafayette, Indianapolis, Bloomington, Terre Haute, and Evansville as well as the IUPUI campus in Indianapolis. The grant will cover tuition and books and will allow each employee a chance to earn up to 15 credit hours towards their degree while also earning a state-issued Certificate of Technical Achievement in BioSciences. Additionally, grant funds were set aside to assist campuses in purchasing lab equipment for this program. Participating companies are also donating equipment and paying students their wages while in class. IHIF is administering this grant on behalf of nine companies: Baxter, Roche, Dow, Eli Lilly, Pfizer, Cook Pharmica, Cook Biotech, GDS Technology, and West Pharmaceutical Services. *"It's a real testament to the strength of this state's commitment to life sciences, both the public and private sectors, that these companies - who compete against each other every day - would come together like this,"* said Wade Lange, IHIF's president. *"We are thrilled about this partnership, as well as the state's support and look forward to the strong pool of life sciences workers it will create."*

The past year has been rewarding and exciting. Next year should be even better. A stronger economy will generate more *Advance Indiana* training dollars and will put Indiana's employers in a better position to focus on expanding the skills of their employees. The latest data from DWD's Labor Market Information Division signal a long awaited recovery for Indiana. By June of 2004, manufacturing jobs had stabilized and actually regained almost 10,000 lost jobs, and in the second quarter of 2004, transportation related manufacturing jobs were at their highest point since the second quarter of 2001. The total number of unemployment claims has been tapering off, and in the fourth quarter of 2004, they were slightly lower than the previous three years. The future of the *Advance Indiana* training program is uncertain, but an economic outlook that is better than previously predicted will allow the *Advance Indiana* training program unprecedented opportunities for increasing the skills and productivity of the Hoosier workforce.





In 2001, the Indiana General Assembly passed HB 1962, which provided funds for the incumbent worker training (IWT) program. It is the goal of the IWT program to create a world class workforce that spurs job growth, establishes career paths and wage-gains for Hoosier workers, increases productivity, and enhances the overall growth of the economy, benefiting all Indiana residents.

An IWT Board—which is made up of a representative from the United Auto Workers Region 3, the Indiana State AFL-CIO, the Indiana Manufacturers Association, and the Indiana Chamber of Commerce as prescribed by IC 22-4-18.3-2—is appointed by the Governor. This Board meets monthly to review applications for training funds. Once the IWT Board recommends an application, it is sent to the UI Board for final approval. For the PY 2003, \$16,516,309 was received for training and counseling. As of December 31, 2004, \$6,867,197 was approved for the 55% Ivy Tech Fund allocation and \$7,888,601 was approved for the 45% DWD Fund allocation.

<b>HB 1962 ALLOCATIONS</b>	
<b>Ivy Tech (55% of available funds)</b>	
Building Trades	50%
Industrial Trades	50%
<b>DWD (45% of available funds)</b>	
Balance Available to Grant	90.8%
Indiana Administration	9.2%

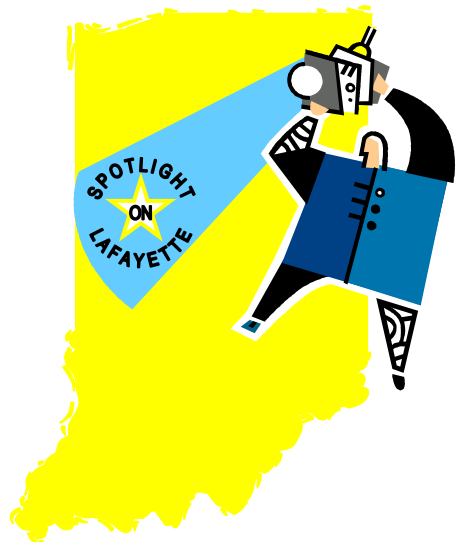
## WorkOne Lafayette—Connecting for Success

The WorkOne Lafayette office is our spotlighted office this year. It is their belief that, *“It’s not just a slogan—It’s our mission”*, to work together *connecting* with the needs of the local area to help put Hoosiers back to work, help businesses thrive and survive, pay benefits, and help keep Indiana strong. *Connecting* as a team equals success for the Lafayette WorkOne office and Indiana Hoosiers.

**Connecting** with quality. In PY 03 (June 03 – July 04), WorkOne Lafayette met and exceeded all Wagner-Peyser and Unemployment Insurance performance goals. The office processed nearly 152,000 new and continued claims in 2004 yet quality and customer service remained steadfast. WorkOne Lafayette’s Unemployment Insurance Performance was 89.70% for First Payment Time Lapse (DLA is 87%), 97.81% for Non-Monetary Time Lapse-Separation Issues and 92.01% for Non Separation Issues (DLA is 80% for each) and 88.10% for Continued Time Lapse (DLA is 87%). Knowing that bringing employment opportunities to job seekers is essential, WorkOne Lafayette surpassed Job Orders performance at 122.79% of their target level and surpassed their Secured Employment performance goal at 154.93% of target level. And for the second consecutive year, the WorkOne Lafayette was recognized for achieving the Most Outstanding Customer Service award.

**Connecting** with employers through the annual WorkOne Partners Employer Seminar. Area businesses accessed workshops and information on Unemployment Insurance, Working with Individuals with Disabilities, Incorporating Immigrants into the Workforce, WorkKeys and Economic Development and other services available through WorkOne. Connecting Indiana Employers to job seekers. In partnership with the Job Training and Small Business summit, WorkOne Lafayette connected more employers and jobseekers. This forum allowed hundreds of job seekers to meet and interview with area employers who were show casing their employment opportunities.

**Connecting** with Purdue University to host the State’s first ‘White Collar’ Job Fair. The event focused on initiatives designed to match dislocated white-collar, professional workers with positions in Hoosier companies that need their skills. Employers from more than 30 companies, including several high tech companies from the Purdue Research Park, met with over 500 professionally trained individuals to accept resumes and conduct short interviews.



**Connecting** with skills. WorkOne Lafayette was one of the early implementers of WorkKeys in Indiana. WorkKeys profiling (job task analysis) for new and current employers continue at a rapid pace. Employers in the Tecumseh Workforce Service Area did significant hiring in 2004 using WorkKeys. White County employer Vanguard National hired 428 individuals through the WorkKeys assessment process and Tippecanoe County employer Fairfield Manufacturing hired 224 employees. The WorkOne Center provides assessment testing 5 days a week for several companies. In 2004, of the individuals who tested through the WorkOne Lafayette office, 413 earned gold level Work Readiness certificates and 867 individuals earned blue level Work Readiness certificates. The job seekers that hold these certificates can show employers they have mastery of multiple skills within assessment areas of applied mathematics, reading for information, and locating information. The Lafayette WorkOne Center and Express sites provide instructional support to assist job seekers to 'brush up' their skills to earn one of these certificates and for employer specific assessment testing.

**Connecting** with veterans. The Lafayette WorkOne staff—in partnership with American Legion Post #11, Eli Lilly & Company, and Charter One Banking Services—held a Veteran Stand Down for our area veterans. Area businesses were present to speak with veterans and interview them for job openings. Also offered by DWD staff were workshops on preparing for an interview, State initiatives to assist ex-offenders with barriers to employment, and WorkKeys assessments. In addition, a panel consisting of representatives from the Indiana Department of Vocational Rehabilitation, the Department of Veteran's Affairs, DWD, and the Tippecanoe County Veteran Service Officer assembled to address veteran's questions. Mayor Tony Roswarski of Lafayette gave a motivational address and proclaimed the day as Tecumseh Area Veteran Stand Down Day.



**Connecting** with individuals with disabilities. With a Department of Labor grant, the WorkOne Lafayette office developed a more welcoming physical facility and environment for our customers with disabilities to access services. From electronic front doors, adaptive technologies at customer workstations, Braille signage, and additional parking to intensive staff training in the WorkOne Center and WorkOne Express Sites we are achieving this goal. We want all customers, especially those with disabilities, to have equal opportunity to access all available services provided through our local system. WorkOne staff now have more information, knowledge, and counseling skills in their arsenal for listening to, relating to, and assisting individuals overcome barriers to competitive, unsubsidized employment, and lifelong careers.

**Connecting** with compassion. The WorkOne-Lafayette staff has demonstrated generosity many ways, whether that is on a local level or across the seas. They adopted the 101<sup>st</sup> Airborne Division, 502 platoon stationed in Baghdad, Iraq. The staff donated

various items for the platoon and with their own funds shipped those items to Iraq, inserting personal messages of support and encouragement. Their contact in the platoon relayed to

the staff how their overwhelming generosity improved the morale of the soldiers and those leading them. The staff soon was notified that the soldiers wanted to give school supplies to the Iraqi children. Again, the WorkOne staff donated box loads of school supplies for the children, receiving a heartfelt “thanks” from the soldiers and a picture of the supplies being handed out. Also, at Christmastime the staff “adopted” a couple of their community’s single parents who had come upon hard times. The staff individually bought Christmas gifts and gift certificates from a local grocery store for the children and the moms and a full vanload of Christmas toys and gifts were delivered. The volume of gifts spoke of the character and giving spirit of the staff.

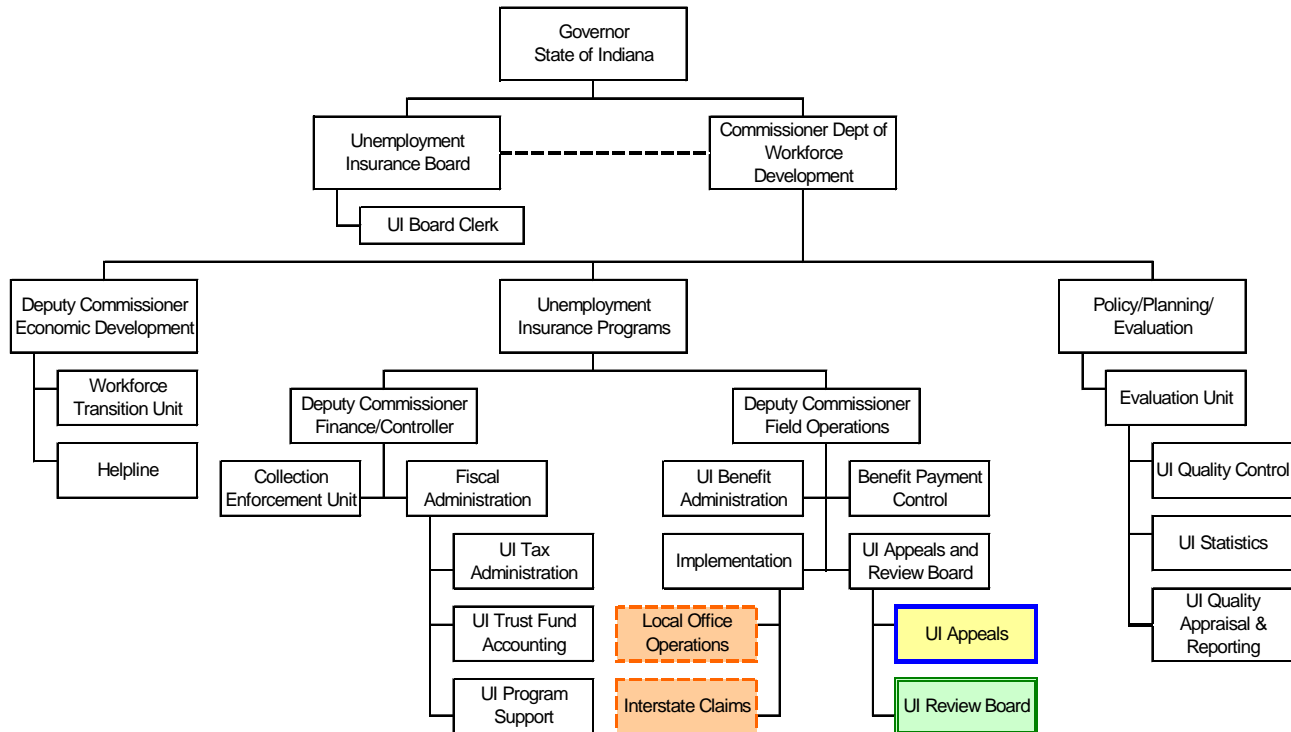
***WorkOne Lafayette – Connecting for Success***



WorkOne Lafayette staff (from left to right)— Front row: Stephanie Graf, Linda Miller, Mary Sleik, and Deb Waymire; Second Row: Ruth Hooker, Kelly Ward, Kara Webb, Sandra Valle, and Susan Young; Back row: Carol Peterson, Carole Thompson, Shannon Thompson, Dolores Doner, Jamie Gramelspacher, Jeri DeLeon-Lara, Mel Singer, Sandra Flint, and George Kirts.

Not pictured: Sandy Roberts, Diana Bush, Chuck Vaught, Lauren Shepherd, and Norman Houseman

The Indiana Department of Workforce Development (DWD) is responsible for administering Unemployment Insurance (UI) services. Below is an organizational chart that shows UI services within DWD. Page 23, *The Road to Qualifying for UI Benefits* lists the steps to apply for and receive UI benefits. The table, *How Weekly Benefits are Calculated*, on page 26 describes the methodology used in determining the weekly benefit amount. A map of all offices offering full-time UI services is on page 29 and on page 30 are the addresses and telephone numbers of the offices.



Steps 1 through 7 are done at the Local Office or Interstate Office level.



Appeal Option 1 is done at the UI Appeal level.



Appeal Option 2 is done at the UI Review Board level.

**See the *Road to Qualifying for UI Benefits* (Page 25).**



### Apply for benefits

Must verify the social security number. Once this is done, the claim will **move on to step 2**. If not, hold claim for proper verification.



**Monetary/Non-monetary determinations** (*NOTE: All monetary and non-monetary determinations are subject to appeal by either the employer or claimant within a specified time period.*)

### Monetary determination

Claimant must:

- A. Earn \$2,750 in the base period, which is the first four (4) of the last five (5) quarters preceding the filing of the claim. **If this criteria is met, move to B. If not, the claim will be disqualified.**
- B. Earn \$1,650 in the last two (2) quarters of the base period. **If this criteria is met, move to C. If not, the claim will be disqualified.**
- C. Have total wages in the base period that exceed 1.25% of the wages in the highest quarter. **If this criteria is met, the claimant is monetarily eligible. If not, the claim will be disqualified.**

### Non-monetary determination


Did the claimant:

- A. Separate from his or her most recent employer through no fault of his or her own? **If yes, move to Step 3. If no see B.**
- B. Voluntarily quit without good cause in connection with the work, or was the claimant discharged for just cause from his or her separating employer? If so, the claimant may not be eligible for benefits until remuneration has been earned equal to the Weekly Benefit Amount (WBA) in each of the eight (8) weeks after the voluntary quit or discharge. **If the claimant requalifies by earning his or her WBA in each of the eight (8) weeks, the claim will proceed to Step 3 with a one-time reduction of 25% in the total claim amount.**





1st  
Appeal  
Option



2nd  
Appeal  
Option

C. If the claimant is not eligible for unemployment benefits because DWD determined he or she quit without good cause or was discharged for just cause, the claimant may file an appeal with the Appellate Section of DWD.

D. If claimant does not win on appeal, he or she may file a second appeal with DWD's Review Board.



### Waiting Period

The first week of a claim is a waiting period with no payment. **Move on to Step 4.**



### Benefit Rights Interview (BRI)

BRI information will be provided to the claimant. This explains the claimant's rights and obligations. **Move on to Step 5.**



### Claimant Profiling

If the claimant is identified as likely to exhaust benefits, he or she will participate in profiling services, which may include orientation, assessment, job search workshop, referral to training, job referrals, job development, referral to supportive services, and counseling.

If not identified for profiling, **Move on to Step 6.**



### Register with Job Service/CS3

Within the first four (4) weeks after filing a claim, the claimant must register with DWD's Job Service/CS3. Benefits will be suspended until registration occurs. *Exceptions: Temporary layoffs with a definite recall or membership in a union hiring hall.* **Move on to Step 7.**





### Weekly Reporting

During each week of the claim, a claim voucher must be submitted to DWD that identifies that the claimant was:

1. Able to work,
2. Available to work, and
3. Seeking employment.

If the three (3) areas are met, the claimant will be eligible for benefits for the week. The claimant is not eligible for benefits if he or she is not able and available for work. However, if the claimant is partially available, benefits will be reduced by 33% for each day not available.

**Note: The claimant must accept suitable work if offered. If a suitable job is rejected, the claimant will not be eligible for benefits.**

Wage credits are quarterly wages earned in a base period. The maximum wage credit per quarter is \$8,733 for claims filed before July 1, 2005, and \$9,250 for claims filed after July 1, 2005.

The Weekly Benefit Amount (WBA) is the result of the following formula:

- 5% of the first \$2,000 of the highest quarterly wage credit
- + 4% of the remaining wage credit for that quarter

The maximum total benefit is the lower of:

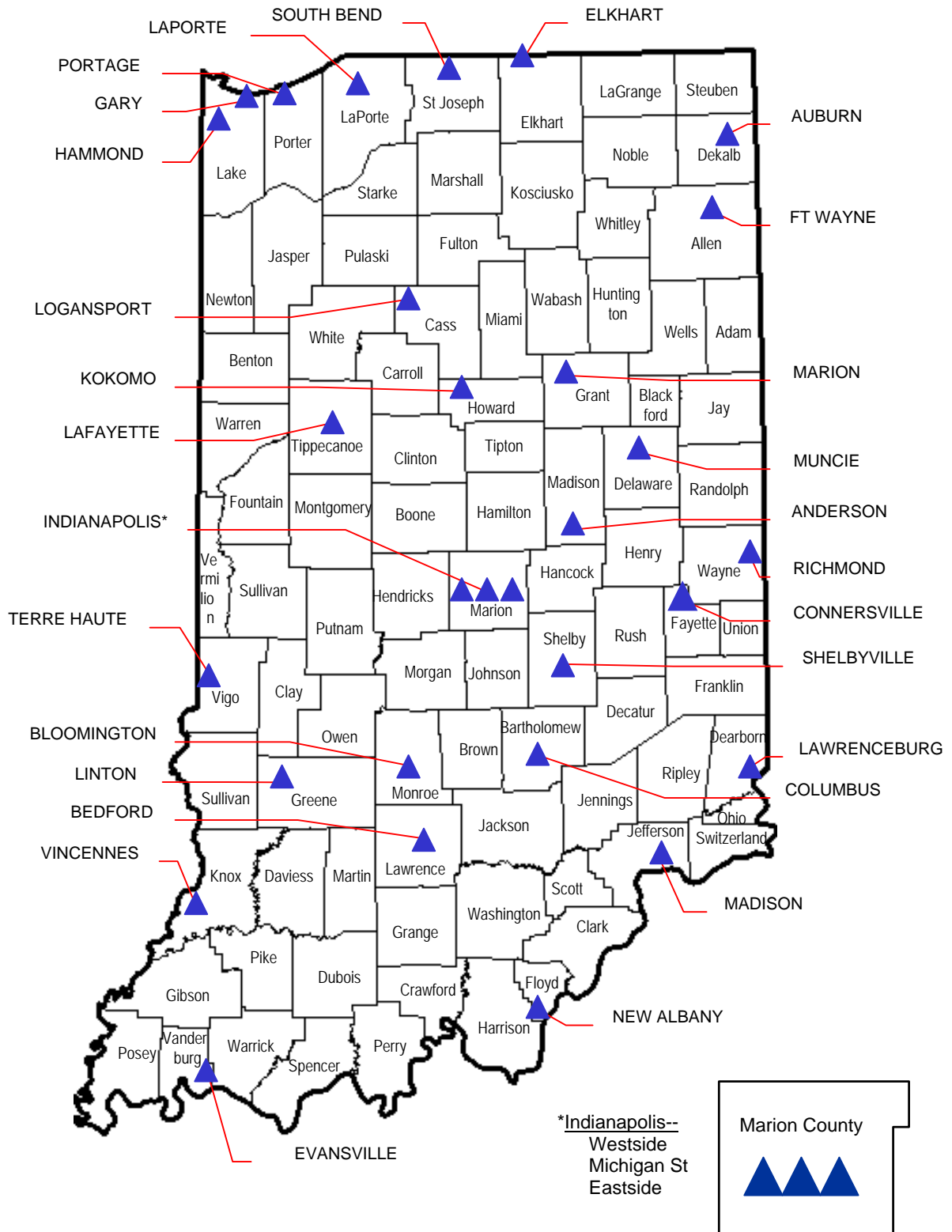
- a) 26 times the individual's WBA

**-or-**

- b) 28% of the individual's wage credits

**(NOTE: calculated figures are rounded down to the next lowest dollar.)**

Base Period Quarters	Effective 07/01/04 to 06/30/05		Effective after 07/01/05	
1 <sup>st</sup> quarter credits	\$8,733		\$9,250	
2 <sup>nd</sup> quarter credits	\$8,733		\$9,250	
3 <sup>rd</sup> quarter credits	\$8,733		\$9,250	
4 <sup>th</sup> quarter credits	\$8,733		\$9,250	
Total wages	\$34,932		\$37,000	
Weekly benefit calculation	Wage Credit	Benefit	Wage Credit	Benefit
	\$8,733	=	\$9,250	=
5% X the first \$2,000	\$2,000	= \$100.00	\$2,000	= \$100.00
4% X the remaining wages	\$6,733	= \$269.00	\$7,200	= \$290.00
= weekly benefit amount		= \$369.00		= \$390.00
Maximum benefit calculation X weekly benefit amount	= 26 X 369 = \$9,594		= 26 X 390 = \$10,140	
<b>-or-</b>				
28% of the total wage credits	= .28 X 34,932 = \$9,870		= .28 X 37,000 = \$10,360	
Lesser amount	= \$9,594		= \$10,140	
Maximum benefits paid				
26 payments of 369 (before 07/01/05)	= \$9,594			
26 payments of 390 (after 07/01/05)			= \$10,140	



<u>Office</u>	<u>Address</u>	<u>Zip Code</u>	<u>Phone #</u>
Anderson .....	222 E 10 <sup>th</sup> St, Ste B .....	46016-1721 .....	765-642-4981
Auburn .....	936 W 15 <sup>th</sup> St .....	46706-2031 .....	260-925-0124
Bedford .....	918 16 <sup>th</sup> St, Ste 200 .....	47421-0040 .....	812-279-4400
Bloomington .....	450 Landmark Ave.....	47402-3000 .....	812-331-6000
Columbus* .....	320 Midway, Ste 3 .....	47202-3006 .....	812-376-3351
Connersville .....	200 W 5 <sup>th</sup> St .....	47331-1498 .....	765-825-3191
Elkhart.....	430 Waterfall Dr.....	46516-3696 .....	574-295-0105
Evansville.....	700 E Walnut .....	47713-2561 .....	812-424-4473
Fort Wayne .....	201 E Rudisill Blvd, Ste 202 .....	46806-1756 .....	260-745-3555
Gary .....	1776 W 37 <sup>th</sup> Ave .....	46409-0081 .....	219-981-1520
Hammond .....	6431 Columbia Ave .....	46320-0081 .....	219-933-8332
Indy-Eastside .....	2525 N Shadeland, C-3 .....	46219-1770 .....	317-358-4500
Indy-Michigan St .....	1635 W Michigan St.....	46222-3899 .....	317-524-4313
Indy-Westside .....	805 Beachway Dr, Ste 110 .....	46224-7785 .....	317-246-5400
Kokomo.....	709 S Reed Rd .....	46901-1371 .....	765-459-0571
Lafayette .....	2301 Concord Rd.....	47903-5529 .....	765-474-5411
LaPorte .....	300 Legacy Plaza West .....	46350-5276 .....	219-362-2175
Lawrenceburg .....	230 Mary Ave, Ste 100 .....	47025-0145 .....	812-537-1117
Linton .....	1600 NE "A" St.....	47441-0069 .....	812-847-4479
Logansport.....	2835 E Market St .....	46947-0017 .....	574-722-6652
Madison .....	620 Green Rd .....	47250-1078 .....	812-265-3734
Marion .....	850 N Miller Ave .....	46952-5002 .....	765-668-8911
Muncie .....	201 E Charles St, Ste 100 .....	47308-7103 .....	765-289-1861
New Albany .....	3310 Grant Line Rd .....	47151-1287 .....	812-948-6102
Portage .....	1575 Adler Circle .....	46368-4499 .....	219-762-6592
Richmond.....	3771 S "A" St .....	47374-6053 .....	765-962-8591
Shelbyville.....	425 E Washington St .....	46176-1744 .....	317-392-3251
South Bend .....	851 S Marietta St .....	46618-3253 .....	574-237-9675
Terre Haute.....	30 N 8 <sup>th</sup> St.....	47807-3106 .....	812-234-6602
Vincennes .....	310 N 2 <sup>nd</sup> St .....	47591-0430 .....	812-882-8770

\*Effective 05/06/05 the Columbus office will move to the Columbus Learning Center, 4555 Central Ave, Ste 1300, Columbus, IN 47203. The phone number will remain unchanged.

During the calendar year 2004 Unemployment Insurance (UI) Services distributed \$723,851,102 in benefits to 263,548 unemployed Hoosier workers. This amount includes regular UI benefits, temporary extended unemployment compensation (TEUC), disaster unemployment assistance (DUA), unemployment compensation to former military (UCX), unemployment compensation to former federal employees (UCFE), and trade readjustment allowance (TRA) benefits. UI Tax Services collected over \$467,612,000 in taxes from 125,129 Indiana employers.

Average weekly wages for workers covered by UI have steadily increased from an average of \$508.46 in 1992 to \$637.62 in 2004. To keep pace with rising wages the leadership of the Indiana General Assembly raised the maximum benefit amount several times. In 1997, the average wage replacement rate was 35.8 percent, and at the end of June 2004, the replacement rate was 41.5 percent. Indiana ranked second in wage replacement when compared to other states in the Midwest (see Table 4) and sixteenth nationally.

**Table 4: Midwest Wages, Benefits, and Wage Replacement Rates (June 30, 2004)**

State	Average Weekly Wage	Average Weekly Benefit Amount	Wage Replacement Rate
Kentucky	\$606.94	\$254.76	42.0%
<b>Indiana</b>	<b>\$637.62</b>	<b>\$264.81</b>	<b>41.5%</b>
Wisconsin	\$640.05	\$251.58	39.3%
Ohio	\$670.38	\$251.45	37.5%
Michigan	\$753.56	\$290.20	38.5%
Illinois	\$776.02	\$280.35	36.1%
<b>US Average</b>	<b>\$716.44</b>	<b>\$262.22</b>	<b>36.6%</b>

Source: UI Data Summary 2nd Quarter 2004

The following table (Table 5) demonstrates that Indiana has the lowest average tax in the Midwest.

**Table 5: Midwest Minimum, Average, and Maximum Annual Tax Rates**

State	Minimum Annual Tax Per Worker	Maximum Annual Tax Per Worker	Average Annual Tax Per Worker
<b>Indiana</b>	<b>\$7.00</b>	<b>\$385.00</b>	<b>\$133.00</b>
Ohio	\$18.00	\$675.00	\$162.00
Kentucky	\$32.00	\$740.00	\$192.00
Illinois	\$88.20	\$842.80	\$294.00
Wisconsin	-0-	\$1,023.75	\$231.00
Michigan	\$5.00	\$927.00	\$306.00

Source: DWD UI Statistics

In addition to these accomplishments, numerous improvements were made in the operation of the department. A major accomplishment has been the success of the UI Roundtable. Formed in October 2001, this workgroup consists of over forty (40) workers from a diverse mix of staff that include—executive team members, division directors, managers, and front-line staff. The UI Roundtable's mission is to:

- ▲ Improve communications and collaboration between all areas of UI programs.
- ▲ Proactively improve customer service and performance.
- ▲ During 2004, the UI Roundtable was directly responsible for many accomplishments. Some of them included:
  - Improved communication.
  - Reduction in duplication of effort.
  - Increased opportunities for leadership roles.
  - Development of a strategic plan for handling backlogs.
  - Improved instructions for filing vouchers online that included a list of frequently asked questions (FAQ).
  - Developing procedures to implement direct deposit payments for UI claimants during 2005.
  - Identified core training that will be mandatory for UI local office staff.
- ▲ Other agency accomplishments include:
  - Completed implementation of a Statewide Clearance Procedure for all State agencies. To date we have 74 State agencies registered for the clearance process.
  - Increased the use of scanable UC-1 forms by 15.5% over year 2003. Our vendor now scans 70% of UC-1 forms. This reduces keying time and gets the information into the tax system faster allowing us to better serve employers.
  - Reduced the time needed to determine accurate wage amounts and claimant benefit re-determinations by implementing an electronic wage investigation process.

- Protected the citizens of Indiana from identity theft by removing social security numbers from claimant vouchers and warrants.
- 26.5% of the agency met ISO 9001:2000 compliance.
- Assisted workers impacted by plant closures and mass layoffs in making a successful transition from job loss to reemployment in today's job market. In Calendar Year 2004 the agency responded to 84 notices of closure or mass layoff affecting a total of 15,000 workers—the largest events being General Electric in Bloomington (525 workers) and Muscatatuck State Development Center in North Vernon (1,000 workers). In all, 125 meetings were held with employers and unions; 500 worker information sessions were coordinated for 15,000 workers; and 7 Labor Management Committees established.

Additionally, 29 events were certified as eligible for Trade Adjustment Assistance and all eligible workers were contacted and briefed on additional program benefits.

- By year's end, DWD has collected over \$467 million in Unemployment Insurance taxes.
- More than \$16 million in Worker Training Assessments were collected and made available to train incumbent workers.
- Fully implement initial-claims filing on the Internet, as of December 2004.
- Fully implement initial-claims filing on the Internet, as of December 2004.
- Achieved ten (10) of the sixteen (16) Tier One Performance Measures as defined by the USDOL.
- Completed 2,137 investigations of potential unemployment fraud.
- Established \$21,340,124 in regular unemployment benefits overpayment.
- Established \$1,192,800 in overpayment of federal unemployment benefits (UCX, UCFE, and TEUC programs).

- Through the efforts of staff and partners in the WorkOne offices we assisted our fellow citizens with the following services and outcomes:
  - 12,525 businesses received direct services from staff;
  - 37,925 job orders were received with a multitude of open positions;
  - 95,836 Hoosiers were successfully assisted in securing employment;
  - 11,226 Hoosiers were provided over 44,277 WorkKeys assessments; and,
  - 2,371,434 individuals were paid benefits and of those:
    - 86.99% first payment time lapse;
    - 81.03% promptness on separation issues;
    - 67.49% promptness on non-separation issues; and
    - 87.56% continued payments





The Board holds to its position—made in prior *Reports*—that the following recommendations will improve the Unemployment Insurance system in Indiana and make it more equitable for its claimants:

**The Board recommends that the Indiana General Assembly take action in future legislative sessions to enact the following changes into law to improve the collection of delinquent liabilities:**

Collection of delinquent Unemployment Insurance (UI) taxes remains a primary concern of the Board. For a number of years, the Board has worked closely with the Indiana Department of Workforce Development (DWD) to develop strategies to identify and collect delinquent UI taxes. In 1990 the Board created the Collection Enforcement Unit (CEU) to rigorously pursue delinquent UI taxes. Although they have done an excellent job with the current tools available, it is the Board's opinion that current penalties allow some individuals and organizations to willfully avoid payment of their UI taxes. When benefits are owed to employees of these delinquent organizations and individuals, they are paid by the Trust Fund, and in effect, raise the tax rates of compliant employers. The Board finds that:

- ▲ Current tools available to DWD are not adequate to maximize the collection of delinquent liabilities.
- ▲ Indiana's current unemployment statutes are significantly weaker than statutes and remedies governing delinquent taxes due to the Indiana Department of Revenue.

In prior legislative sessions, some changes were made to address this issue that including providing access to UI information by state and local law enforcement officials. However, more should be done to strengthen the current laws. During 2003, \$2,530,901.05 was determined not collectible and reluctantly written off pursuant to Indiana Code 22-4-20-1. While many of these write-offs are for companies who have legitimately gone out of business, more should be done to allow DWD to collect from those individuals and organizations who are trying to avoid payment of their taxes.

The Board supports the following amendments to current state statutes, which would significantly improve DWD's collection abilities. The proposed changes are:

- ▲ Allow DWD to work with various Indiana licensing agencies to prohibit the issue or renewal of an operating license to organizations that are owned and operated by the same individuals or corporate officers of organizations that are or have not been current in their unemployment insurance obligations.
- ▲ Allow DWD rights equal to the Indiana Department of Revenue concerning the exchange and review of information contained in other agencies files that would enhance the department's collection and enforcement proceedings.
- ▲ Mandate that the Secretary of State must require anyone requesting to form a new corporation, self proprietorship, LLC, etc. to furnish the Secretary of State with a form signed by the Commissioner of DWD stating that the entity has no Unemployment Tax Liability in the State of Indiana.
- ▲ Mandate that an inter-agency information-sharing system be put into place, such that DWD is able to identify delinquent employers to other potentially interested State agencies, and in return, provides DWD with information (such as FEIN numbers) relevant to business entities who interact with other State agencies, for example, as contract partners or business license applicants.



The UI Board encourages all efforts to make Indiana's Unemployment Insurance system more efficient, equitable, and user friendly. Therefore, the Board supports the following agency goals, which are designed to increase customer satisfaction and improve UI services to the citizens of Indiana:

- ▲ Improve the timeliness of non-monetary determinations and appellate decisions.
- ▲ Increase collaboration between the UI Roundtable and UI services to identify and remove all barriers to effective communication.
- ▲ Integrate case management and imaging systems in UI Tax, to improve customer service by enabling staff to respond to employer inquiries in an accurate and timely manner.
- ▲ DWD plans to Implement ISO 9001 in six (6) additional divisions in 2005.
- ▲ Develop a method for paying benefits electronically utilizing direct deposit.
- ▲ Create an electronic application for the filing of mass-layoff claims that will simplify the handling of the existing holiday and vacation pay issues.
- ▲ Complete review of all UI documents to ensure that they are written in easy-to-understand language.
- ▲ Complete implementation and integration of the new board rule on Professional Employer Organizations (PEO).
- ▲ Complete implementation of the new USDOL UIPL on SUTA dumping.
- ▲ Continue to work with the UIM Core Team on the UI Modernization project.
- ▲ Continue to utilize all available methods of detection to reduce the amount of overpayments, and explore and develop new methods.
- ▲ Develop and implement an interface with the Social Security Administration to ensure social security numbers and names used in the filing of claims are legitimate; therefore helping to ensure proper payment of benefits.

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**KEY UNEMPLOYMENT FACTS FOR INDIANA & NEIGHBORING STATES**

**June 2004**

DESCRIPTION	INDIANA	Illinois	Kentucky	Michigan	Ohio	Wisconsin	US
Population (000's) <sup>1</sup>	6,238	12,714	4,146	10,113	11,459	5,509	\$293,655
Civilian Labor Force (000's) <sup>2</sup>	3,189	6,360	1,973	5,059	5,895	3,100	146,780
Ranking <sup>2</sup>	15	5	26	8	7	16	N/A
2Q04 Unemployment Rate <sup>2</sup>	4.9%	6.0%	5.4%	6.4%	5.8%	5.0%	5.5%
<b>UI TAXES</b>							
Taxable Wage Base <sup>2</sup>	\$7,000	\$9,800	\$8,000	\$9,000	\$9,000	\$10,500	\$10,865
Base Employer Rate <sup>3</sup>	2.70%	4.00%	2.70%	2.70%	2.70%	3.25%	N/A
Employer Surcharge <sup>4</sup>	0.09%	0.70%	N/A	0.00%	Up to 0.2% plus additional % determined by formula	Up to 0.03%	N/A
Surcharge Reason <sup>4</sup>	Training	Solvency	N/A	To pay interest on federal advance if any	Solvency	Administration and UI modernization	N/A
2004 Minimum Tax Rate <sup>4</sup>	0.1%	0.9%	0.4%	0.6%	0.2%	0.0%	N/A
2004 Maximum Tax Rate <sup>4</sup>	5.50%	8.60%	9.30%	10.30%	7.50%	9.75%	N/A
2004 Avg UI Tax Rate (taxable wages) <sup>2</sup>	1.9%	3.0%	2.4%	3.4%	1.8%	2.2%	2.2%
2004 Avg UI Tax Rate (total wages) <sup>2</sup>	0.5%	0.7%	0.7%	0.8%	0.5%	0.7%	0.6%
Base New Employer Tax Per Worker <sup>5</sup>	\$189	\$392	\$216	\$243	\$243	\$341	N/A
Minimum Tax Per Worker <sup>5</sup>	\$7	\$88*	\$32	\$54	\$18	\$0	N/A
Maximum Tax Per Worker <sup>5</sup>	\$385	\$843	\$740	\$927	\$675	\$1,024	N/A
Average Tax Per Worker <sup>5</sup>	\$133	\$294	\$192	\$306	\$162	\$231	N/A
Trust Fund Balance (millions) <sup>2</sup>	\$702	-\$580	\$321	\$1,042	\$711	\$837	\$25,071
Months in Trust Fund <sup>6</sup>	12.0	--	8.7	6.2	6.5	10.7	7.8
<b>UI BENEFITS</b>							
Minimum Base Period Wages Required <sup>7</sup>	\$2,750	\$1,600	\$2,983	\$2,997	\$3,520	\$1,470	N/A
Minimum Weekly Benefit <sup>7</sup>	\$50	\$51 - \$56	\$39	\$81 - \$111	\$90	\$49	N/A
Maximum Weekly Benefit <sup>7</sup>	\$348	\$326 - \$438	\$365	\$362	\$323 - \$436	\$329	N/A
Avg Weekly Wage (last 12 months) <sup>2</sup>	\$637.62	\$776.02	\$606.94	\$753.56	\$670.38	\$640.05	\$716.44
Ranking <sup>2</sup>	29	8	34	10	22	27	N/A
Avg Weekly Benefit (last 12 months) <sup>2</sup>	\$264.81	\$280.35	\$254.76	\$290.20	\$251.45	\$251.58	\$262.22
Avg Claim Benefit <sup>2</sup>	\$3,564	\$5,414	\$3,578	\$4,129	\$4,025	\$3,178	\$4,233
Replacement Rate (benefit/wage) <sup>2</sup>	41.2	35.8	42.7	38.4	36.8	38.9	36.6
Ranking <sup>2</sup>	15	35	7	26	32	25	N/A
Avg UI Comp Duration (last 12 months) <sup>2</sup>	13.9	19.4	14.7	14.6	16.3	13.9	16.7
Ranking <sup>2</sup>	47	4	35	36	25	46	N/A

\* Illinois' minimum tax includes a .7% solvency tax

<sup>1</sup> July 1, 2004 US Census

<sup>2</sup> 2Q04 UI Data Summary

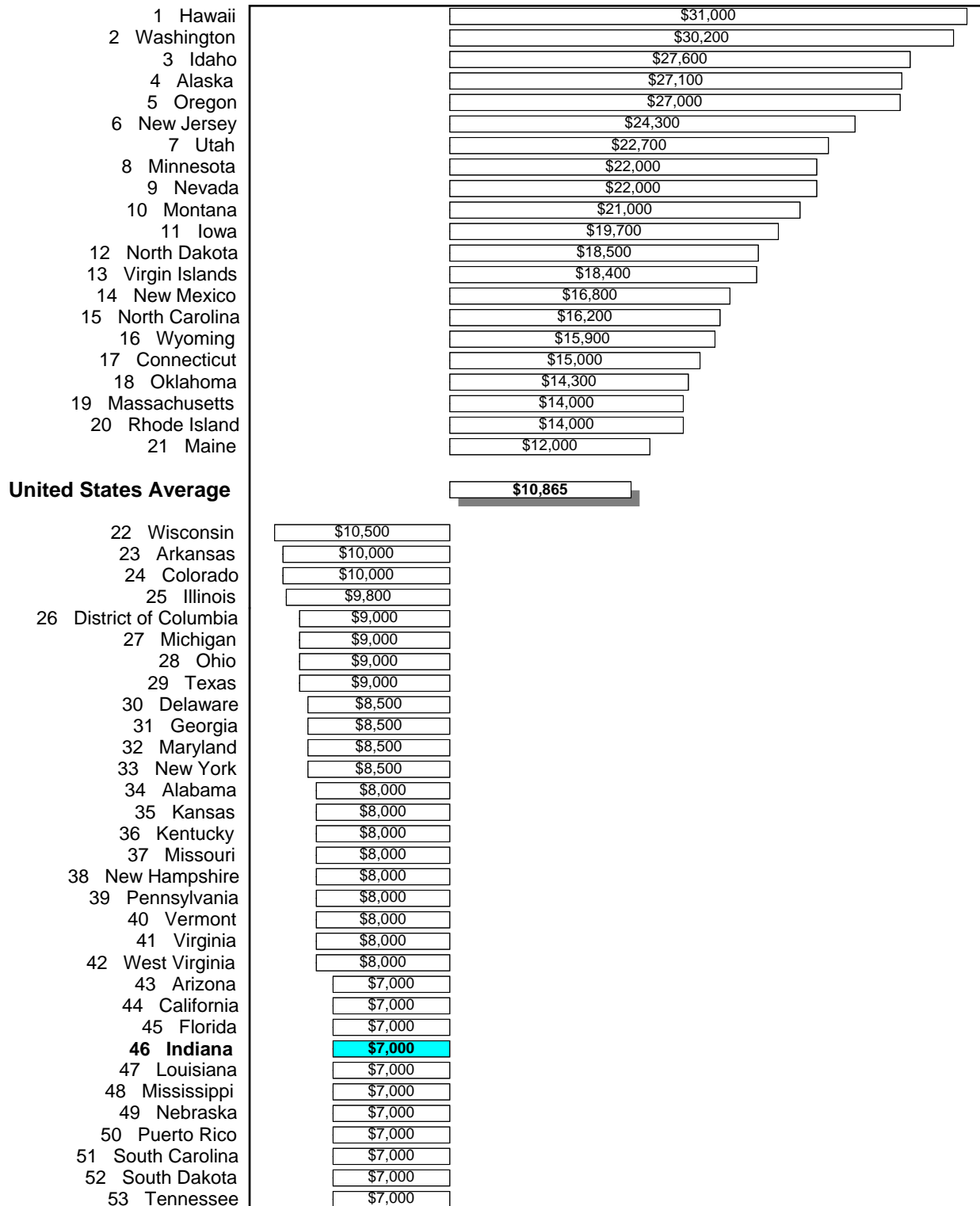
<sup>3</sup> UI Statistics

<sup>4</sup> 2004 NFCU Report

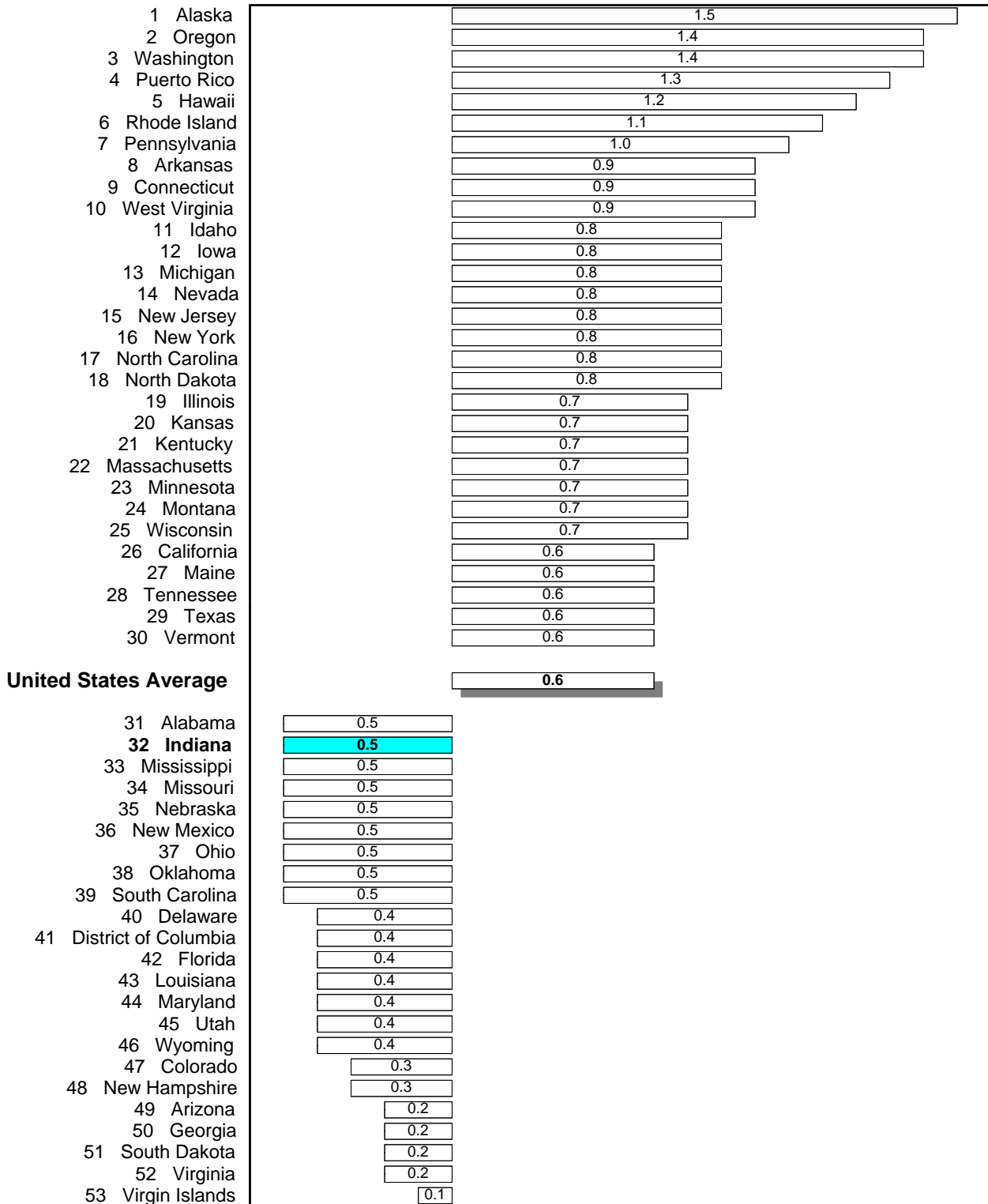
<sup>5</sup> Calculated

<sup>6</sup> US DOL/ETA

<sup>7</sup> 2004 Comparison of State UI Laws



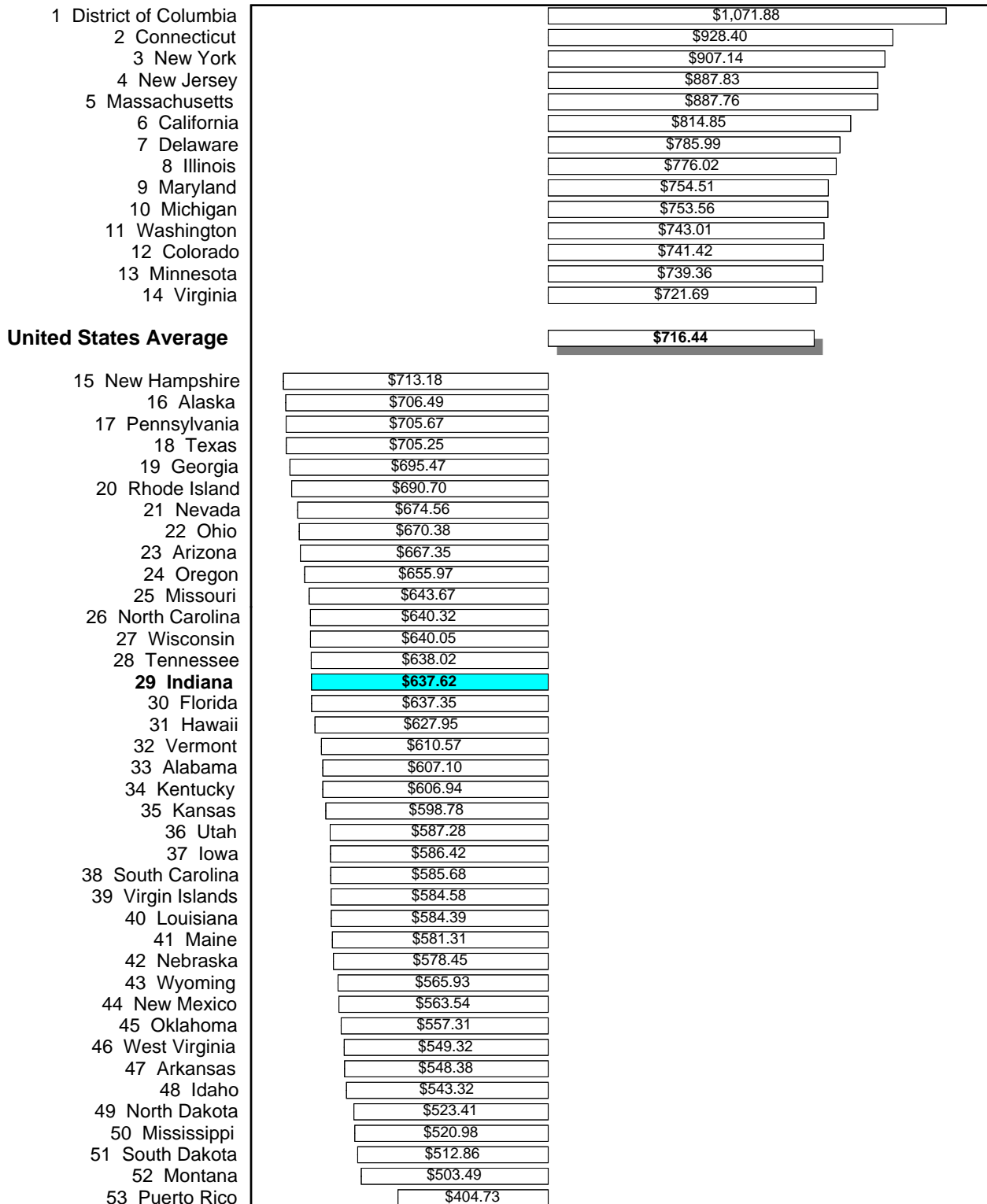
Source: 2<sup>nd</sup> Quarter 2004 UI Data Summary



Source: 2<sup>nd</sup> Quarter 2004 UI Data Summary

**UNEMPLOYMENT INSURANCE BOARD  
2003 - 2004 ANNUAL REPORT**

**Unemployment Statistics:**  
Comparison of Average Weekly Wages (AWW)

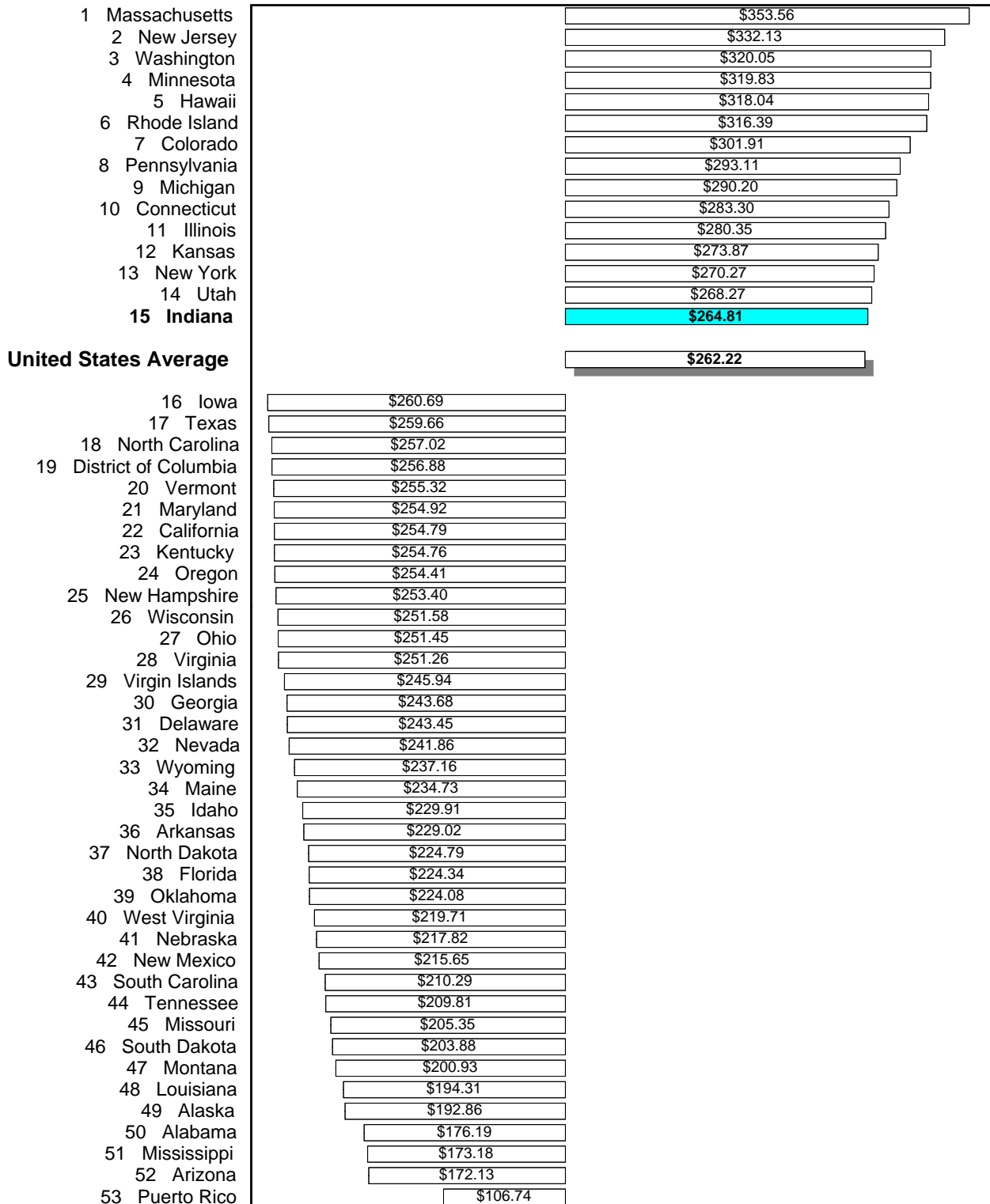


Source: 2<sup>nd</sup> Quarter 2004 UI Data Summary

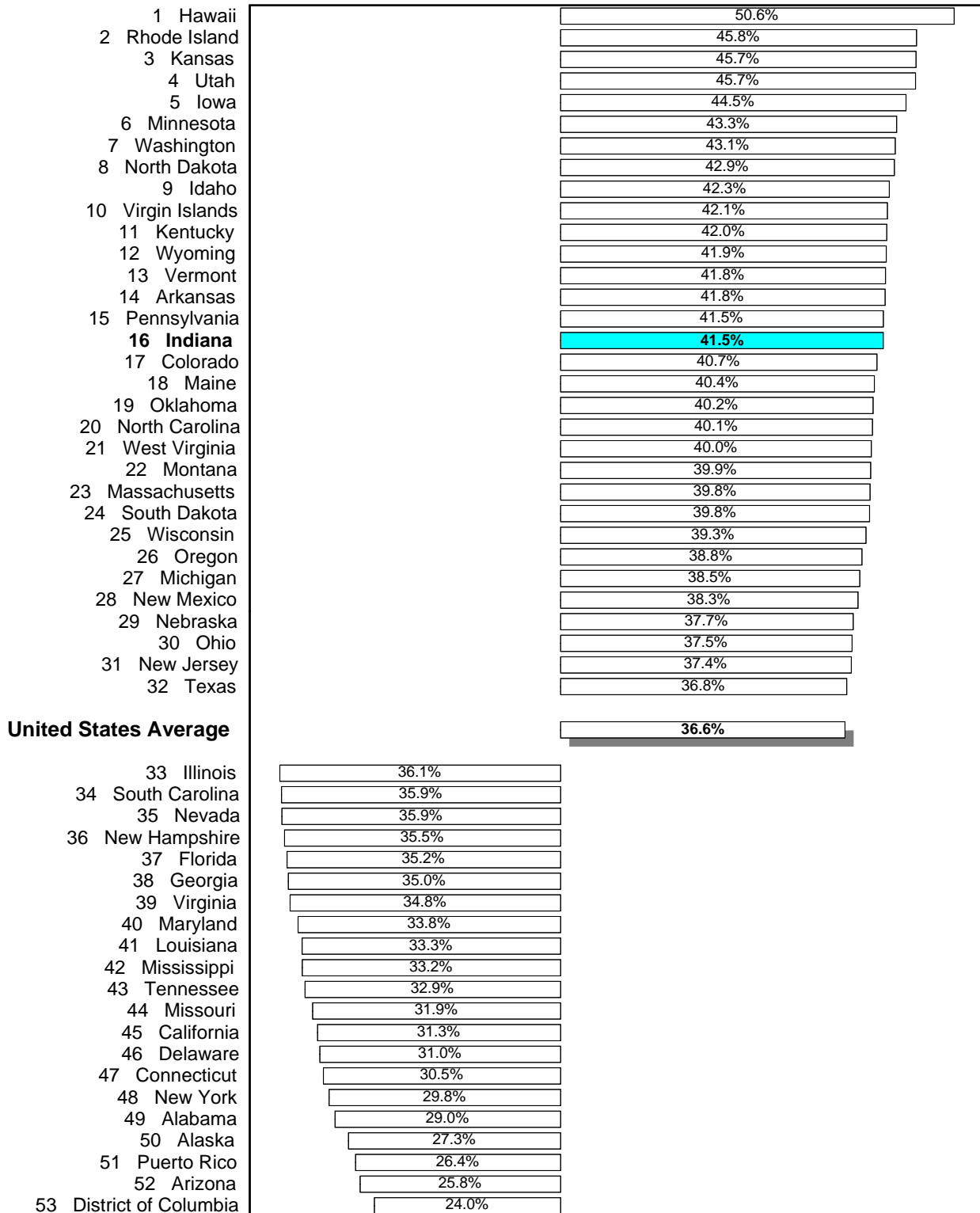


**UNEMPLOYMENT INSURANCE BOARD  
2003 - 2004 ANNUAL REPORT**

**Unemployment Statistics:**  
Comparison of Average Weekly Benefit Amounts (AWBA)



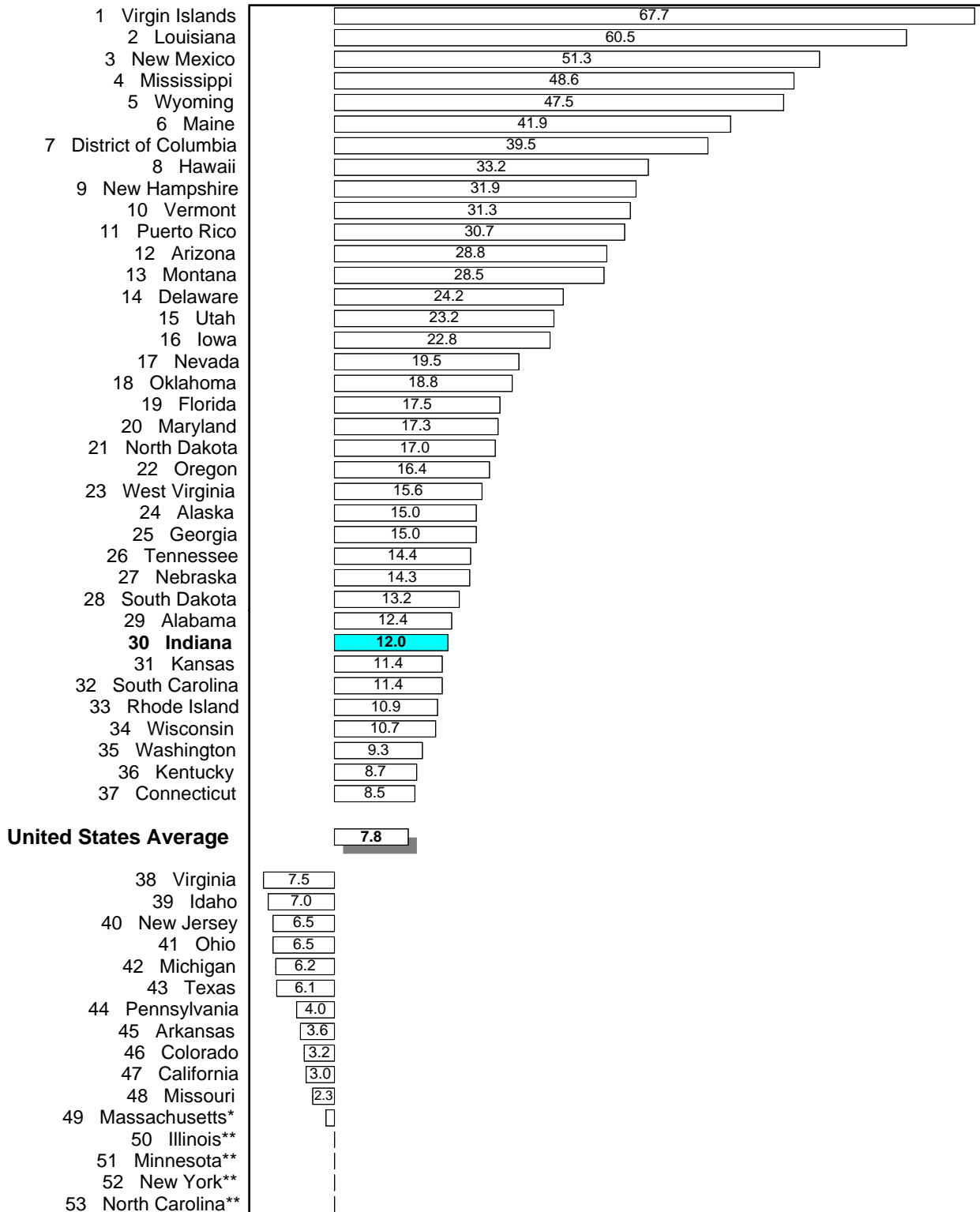
Source: 2<sup>nd</sup> Quarter 2004 UI Data Summary



Source: 2<sup>nd</sup> Quarter 2004 UI Data Summary

**UNEMPLOYMENT INSURANCE BOARD  
2003 - 2004 ANNUAL REPORT**

**Unemployment Statistics:**  
Comparison of Months of Benefits in Trust Funds



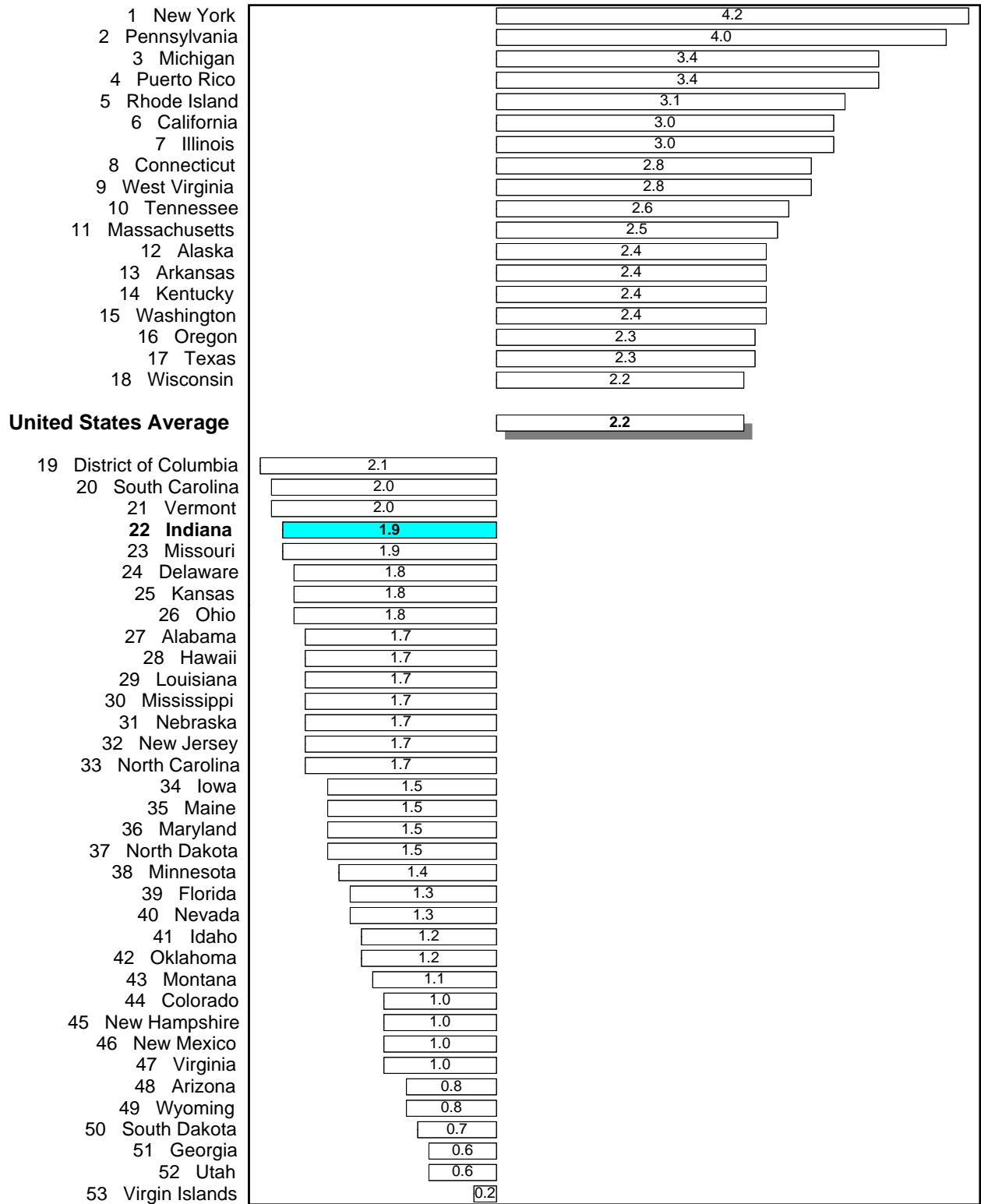
\* This state has less than one month of benefits in its trust fund

\*\* These states borrowed money to pay benefits

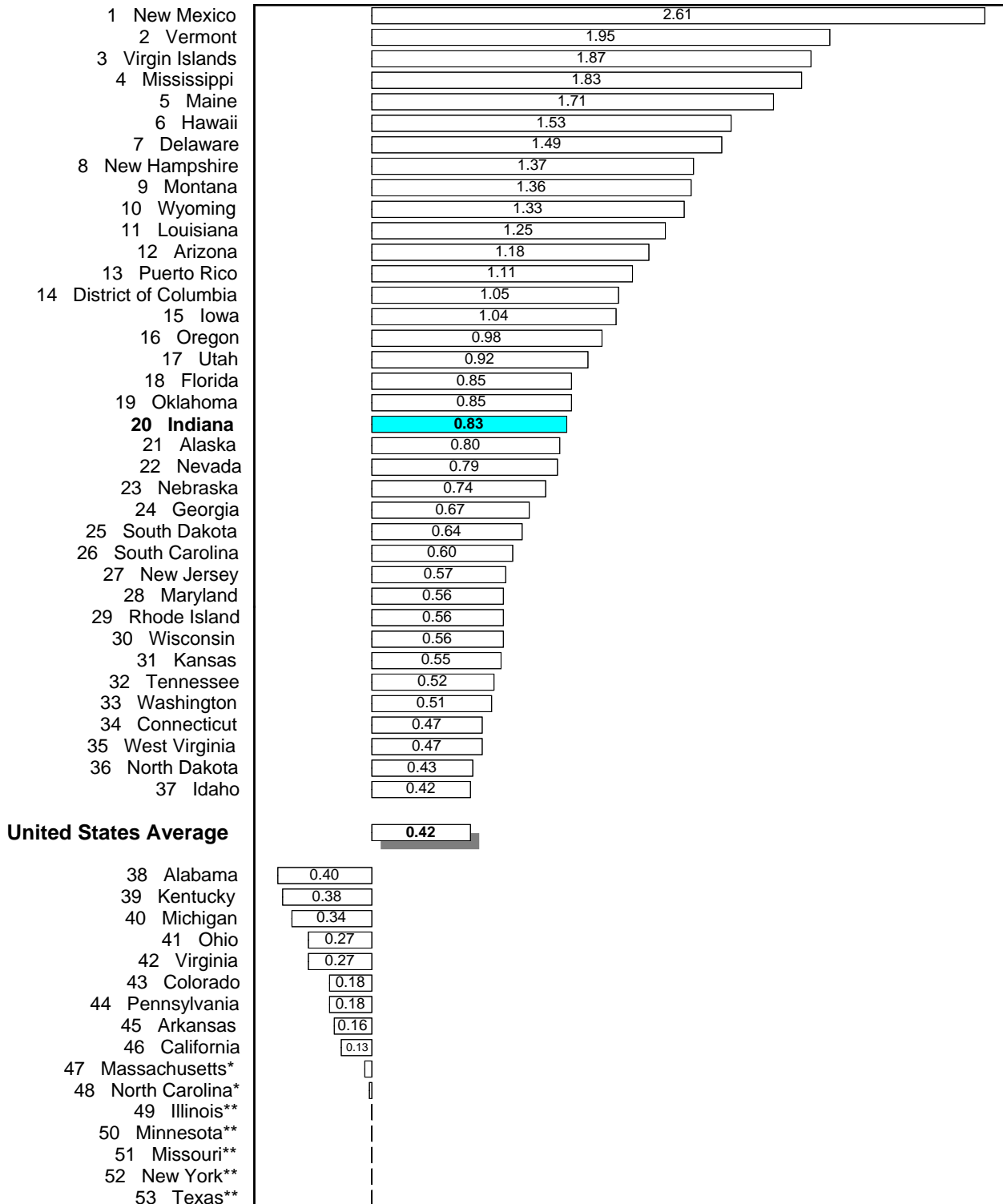
Source: 2<sup>nd</sup> Quarter 2004 UI Data Summary

**UNEMPLOYMENT INSURANCE BOARD  
2003 - 2004 ANNUAL REPORT**

**Unemployment Statistics:**  
Comparison of Average UI Tax Rate of Taxable Wages



Source: 2<sup>nd</sup> Quarter 2004 UI Data Summary



\* These states had values of less than 0.10

\*\* These states had a negative value at the end of December 2003

Source: 2<sup>nd</sup> Quarter 2004 UI Data Summary

**SELECTED TAX DATA (CALENDAR YEAR COMPARISONS)**

SELECTED TAX DATA	2004	2003	2002	2001	2000
Number of Employers	125,746	125,129	124,673	125,119	124,654
Tax-Paying Employers	123,609	123,007	122,530	122,994	122,545
Total Wages (billions)	\$ 79.216	\$ 76.140	\$ 73.705 **	\$ 74.573	\$ 75.004
Taxable Wages (billions)	\$ 18.638	\$ 18.347	\$ 18.922 **	\$ 18.876	\$ 19.528
Number of Employees (millions)	2.28	2.27	2.27 **	2.33	2.40
Average Weekly Wage	\$ 668.15	\$ 645.21	\$ 624.41	\$ 615.00	\$ 600.59
Reimbursable Employers	2,137	2,122	2,143	2,125	2,109
Total Wages (billions)	\$ 18.819	\$ 16.210	\$ 15.505 **	\$ 14.938	\$ 14.270
Number of Employees	521,800	516,186	507,300	499,173	491,675
Average Weekly Wage	\$ 619.86	\$ 603.92	\$ 587.76 **	\$ 575.00	\$ 558.14
Total Tax Dollars Collected (millions)	\$ 467.612	\$ 365.156	\$ 256.044	\$ 230.727	\$ 294.706
Total Tax Dollars Delinquent (millions)	\$ 16.762	\$ 12.635	\$ 8.239	\$ 9.124	\$ 22.189
Taxable (millions)	\$ 13.963	\$ 10.361	\$ 6.120	\$ 7.472	\$ 21.427
Reimbursable (millions)	\$ 2.799	\$ 2.274	\$ 2.119	\$ 1.652	\$ 0.762
New Accounts	17,252	16,999	17,198	17,835	18,462
New Establishments	13,906	13,452	13,530	13,903	14,112
Successors	3,346	3,547	3,668	3,932	4,350
Wage records (millions)	13,494	13,487	13,467	13,878	11,147
Quarterly Returns Mailed	503,229	501,052	502,191	501,743	500,154
Quarterly Returns Processed	496,732	489,914	490,058	487,332	446,931
Tax Assistance Calls (incoming)	97,057	82,941	91,445***	71,699	75,984 ~
Federal Certifications	5,335	5,880	5,344	4,957	6,272
Recalculations	3,162	3,586	3,808	3,574	2,729
Tax Adjustments	25,571	25,572	23,588	21,478	21,589~~
Total Audits Completed	3,485	3,194	2,983	2,960	3,064
Large Employer Audits	53	49	56	42	43
Additional Tax Dollars Collected from Audits	\$ 679,095	\$ 773,829	\$ 686,738	\$ 522,750	\$ 489,519
Trust Fund Balance as of 12/31 (billions)	\$ 0.600	\$ 0.758	\$ 1.124	\$ 1.326	\$ 1.579
# of Months of Benefits in Trust Fund (12/31)	10.5	12.2	19.4	27.5	64.2

~ Change due to implementation of aspect phone system. Report includes secondary phone lines and internal transfers.

\*\* Estimated by LMI based on first two quarters of 2004.

~~ Change due to implementation of Reimbursable Assets and increase in adjustments from employer service companies.

\*\*\* Tax Assistance Calls includes calls for HB1962 implemented in May 2002.

**SELECTED BENEFIT DATA (CALENDAR YEAR COMPARISONS)**

SELECTED BENEFIT DATA	2004	2003	2002	2001	2000
Initial Claims Filed	422,141	458,020	411,387	439,965	319,225
New Claims Filed	270,855	288,315	264,073	279,717	202,625
Monetary Determinations (% ineligible)	14%	11%	11%	8%	10%
Weeks Claimed Filed (millions)	2.919	3.342	3.237	2.864	1.660
Weeks Paid (millions)	2.542	2.915	2.834	2.446	1.393
Number of First Pays	188,128	213,948	199,869	208,403	130,537
Amount Paid*(millions)	\$723.85	\$944.40	\$872.74	\$612.10	\$316.87
Number of Claimants Paid*	263,548	287,524	272,554	242,978	151,519
Average Number of Weeks Paid (UI)	13.5	13.6	14.1	11.7	10.7
Average Weekly Benefit Amount (UI)	\$266.77	\$ 263.48	\$ 254.58	\$ 243.98	\$ 222.19
Maximum Weekly Benefit Amount	\$369.00 **	\$ 348.00 **	\$ 336.00 **	\$ 312.00 **	\$ 288.00 **
Non-Monetary Determinations	136,737	141,699	136,140	193,097	164,866
Non-Mon Denials	83,981	86,939	78,928	117,567	101,389
Percent Denied	61%	61%	58%	61%	61%
Separation Issues (UI)	92,908	92,816	86,743	141,446	128,715
Percent Denied	46%	45%	46%	52%	55%
Non-Separation Issues (UI)	43,023	48,198	48,754	51,047	35,072
Percent Denied	77%	77%	78%	84%	85%
Appellate Decisions	29,820	29,350	26,097	33,424	22,752
Non-Mon Reversals (UI)	10,891	10,633	9,874	12,211	8,220
Percent Reversed	37%	36%	38%	37%	36%
Claimant Decisions (UI)	16,748	16,633	14,313	18,044	13,012
Percent Reversed Claimants Favor	34%	34%	36%	34%	32%
Employer Decisions (UI)	12,833	12,505	11,258	13,888	8,558
Percent Reversed Employers Favor	40%	40%	41%	42%	43%
Review Board Decisions	3,199	2,161	3,003	2,900	2,174
Decisions that Reverse Appellate (UI)	179	112	84	132	129
Percent Reversed	6%	5%	3%	5%	6%
Claimant Decisions (UI)	2,057	1,344	1,951	1,927	1,434
Percent Reversed Claimants Favor	6%	6%	3%	4%	5%
Employer Decisions (UI)	1,136	814	1,045	969	731
Percent Reversed Employers Favor	4%	4%	2%	5%	7%

Regular and TEUC Programs – UI, UCFE, and UCX unless indicated.

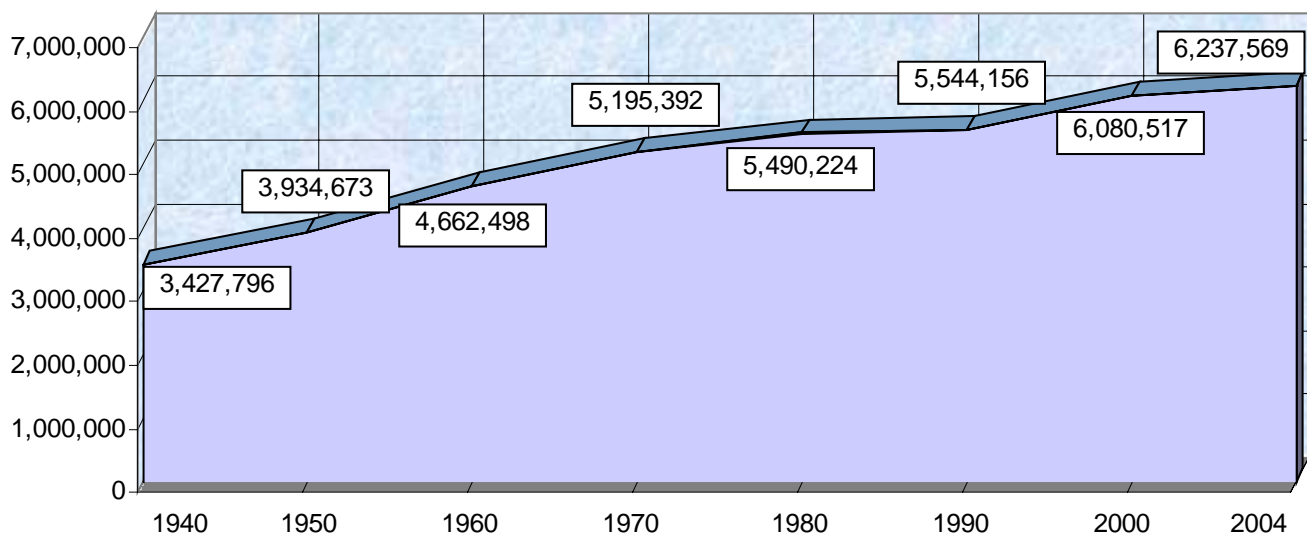
\* Regular, TEUC, TRA, and DUA.

\*\* Amount increased in July.

## STATE OF INDIANA POPULATION

YEAR	POPULATION	NUMERICAL CHANGE	PERCENTAGE CHANGE
1940	3,427,796	N/A	N/A
1950	3,934,673	506,877	14.8%
1960	4,662,498	727,825	18.5%
1970	5,195,392	532,894	11.4%
1980	5,490,224	294,832	5.7%
1990	5,544,156	53,932	1.0%
2000	6,080,485	536,329	9.7%
2004	6,237,569	157,052	2.6%

## INDIANA POPULATION TO 2004

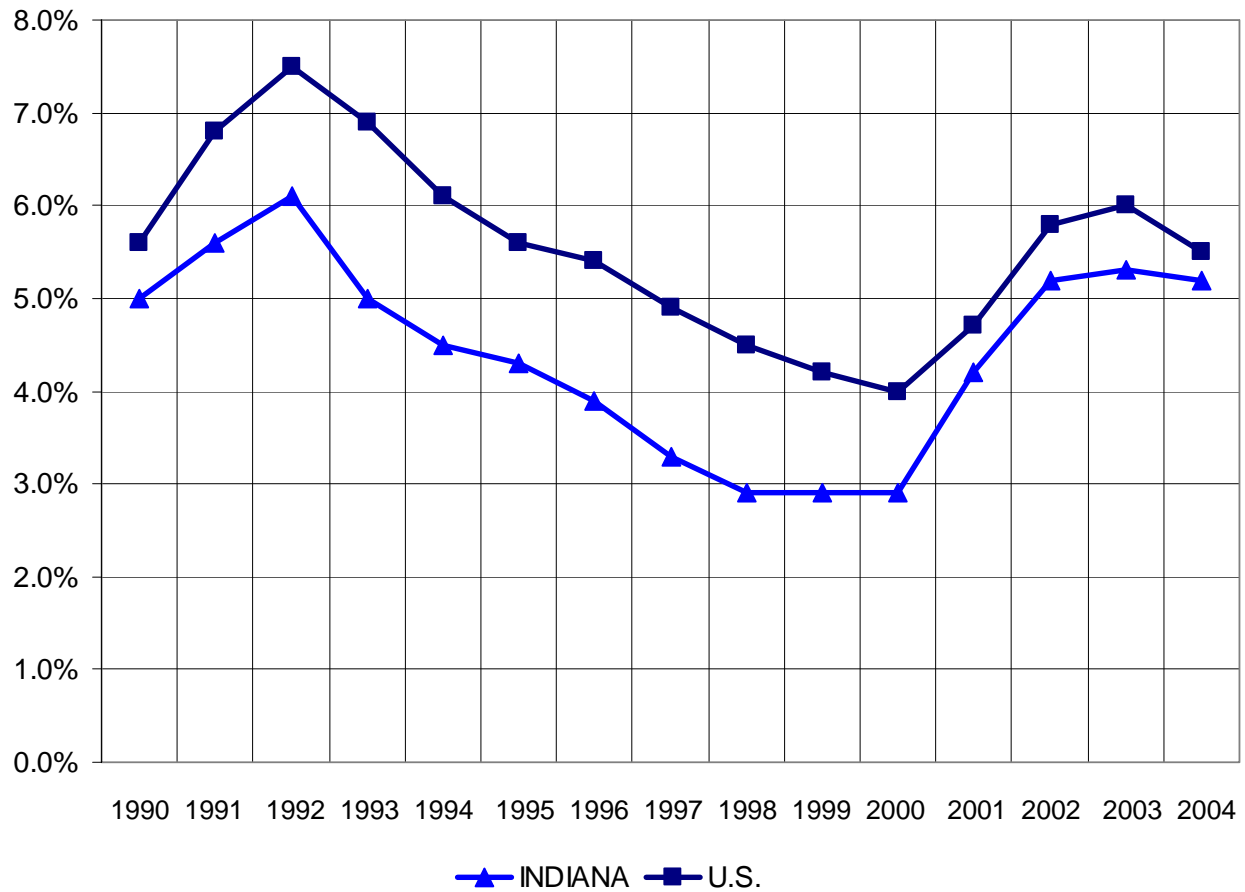




## STATE OF INDIANA LABOR FORCE

YEAR	LABOR FORCE	EMPLOYED	UNEMPLOYED	INDIANA RATE	US RATE
1990	2,830,600	2,688,900	141,700	5.0%	5.6%
1991	2,816,200	2,657,900	158,300	5.6%	6.8%
1992	2,877,800	2,703,400	174,400	6.1%	7.5%
1993	2,948,300	2,800,700	147,600	5.0%	6.9%
1994	3,049,900	2,911,800	138,100	4.5%	6.1%
1995	3,112,300	2,977,500	134,800	4.3%	5.6%
1996	3,103,000	2,982,800	120,200	3.9%	5.4%
1997	3,117,900	3,014,500	103,400	3.3%	4.9%
1998	3,124,500	3,033,400	91,100	2.9%	4.5%
1999	3,136,600	3,046,900	89,700	2.9%	4.2%
2000	3,142,900	3,051,400	91,500	2.9%	4.0%
2001	3,151,400	3,020,300	131,100	4.2%	4.7%
2002	3,152,200	2,989,600	162,600	5.2%	5.8%
2003	3,169,200	3,000,800	168,400	5.3%	6.0%
2004	3,170,400	3,005,200	165,200	5.2%	5.5%

### COMPARISON OF INDIANA AND US UNEMPLOYMENT RATES

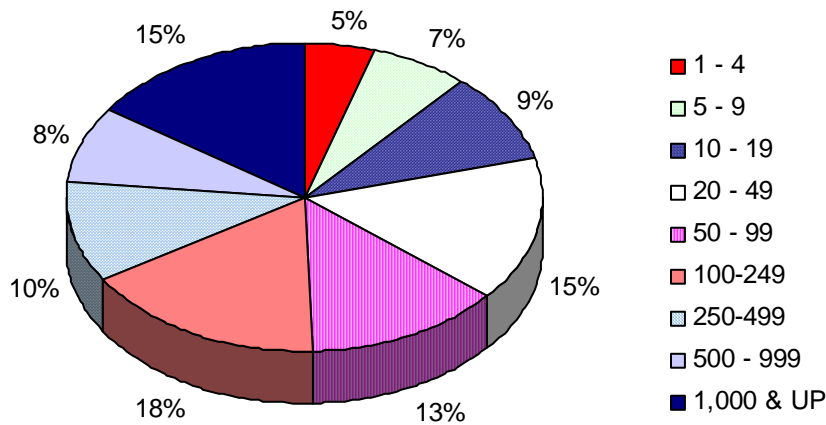
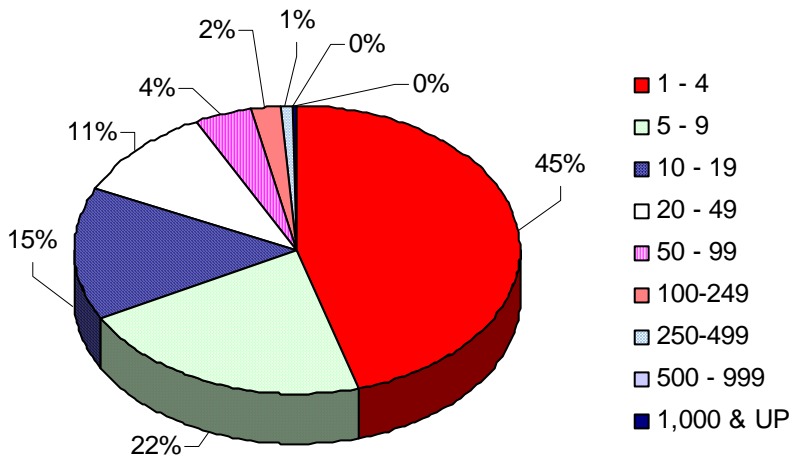


**INDIANA ESTABLISHMENTS BY EMPLOYMENT SIZE CLASS, MARCH 2004**

<b>EMPLOYMENT SIZE CLASS</b>	<b>NUMBER OF BUSINESS UNITS 1<sup>ST</sup> QUARTER 2004</b>	<b>EMPLOYMENT BY SIZE OF BUSINESS UNIT MARCH 2004</b>	<b>TOTAL WAGES</b>
<b>1 – 4</b>	<b>61,053</b>	<b>129,383</b>	<b>\$ 977,324,718</b>
<b>5 – 9</b>	<b>29,107</b>	<b>192,732</b>	<b>\$ 1,268,653,955</b>
<b>10 – 19</b>	<b>19,594</b>	<b>264,443</b>	<b>\$ 1,790,466,554</b>
<b>20 – 49</b>	<b>14,193</b>	<b>430,415</b>	<b>\$ 3,118,907,423</b>
<b>50 – 99</b>	<b>5,433</b>	<b>373,638</b>	<b>\$ 2,863,252,430</b>
<b>100 – 249</b>	<b>3,092</b>	<b>465,333</b>	<b>\$ 3,868,774,931</b>
<b>250 – 499</b>	<b>860</b>	<b>294,063</b>	<b>\$ 2,566,797,157</b>
<b>500 – 999</b>	<b>331</b>	<b>226,291</b>	<b>\$ 2,156,703,207</b>
<b>1,000+</b>	<b>204</b>	<b>430,194</b>	<b>\$ 5,259,437,494</b>
<b>TOTAL</b>	<b>133,867</b>	<b>2,806,492</b>	<b>\$ 23,870,317,869</b>

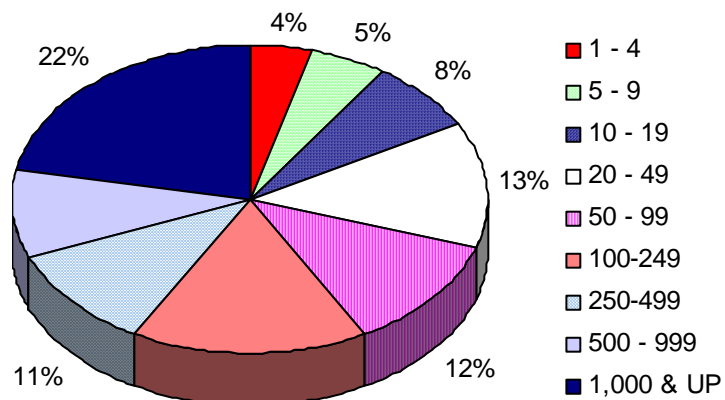
Includes business units with zero employees and federal employees.

**BUSINESS UNITS BY SIZE**  
**1<sup>ST</sup> Quarter 2004**



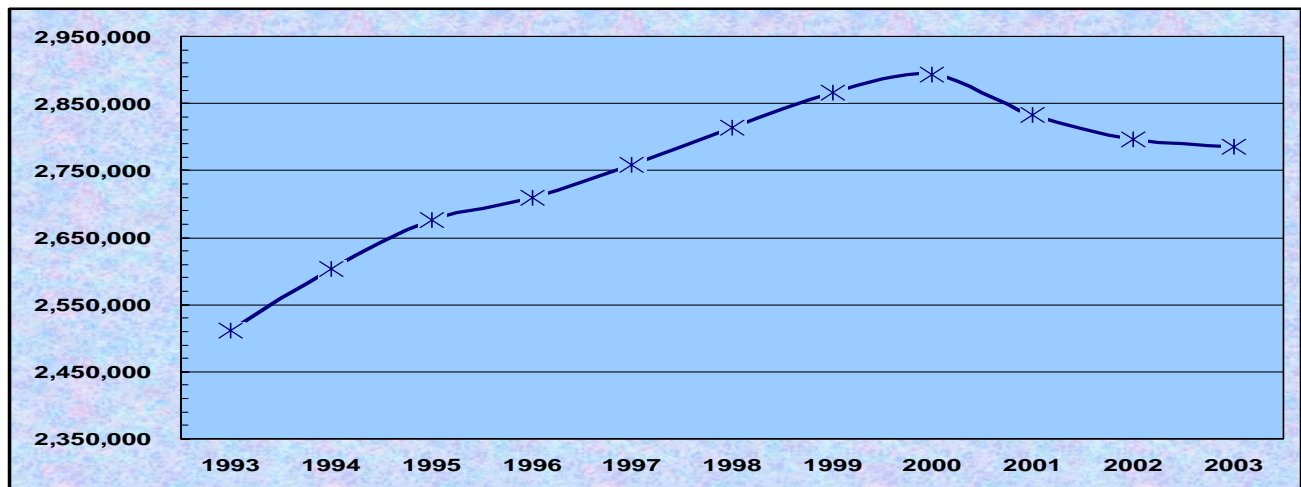
**EMPLOYMENT BY SIZE**  
**OF BUSINESS UNIT**  
**March 2004**

**TOTAL WAGES**



<b>UI COVERED EMPLOYMENT INDIANA TOTALS</b>	<b>Average Number Of Workers</b>	<b>Total Annual Wages</b>	<b>Average Annual Wages</b>
<b>Private Ownership Only</b>	<i>rounded to tens</i>	<i>rounded to hundreds</i>	<i>rounded to hundreds</i>
Agriculture, Forestry, Fishing, and Hunting	11,940	\$ 292,972,400	\$24,500
Mining	6,580	\$ 316,804,700	\$48,100
Utilities	14,410	\$ 871,606,100	\$60,500
Construction	144,690	\$ 5,570,737,000	\$38,500
Manufacturing	572,530	\$ 26,017,200,700	\$45,400
Wholesale Trade	117,770	\$ 5,195,628,100	\$44,100
Retail Trade	335,190	\$ 7,012,492,400	\$20,900
Transportation and Warehousing	99,440	\$ 3,392,298,900	\$34,100
Information	40,880	\$ 1,655,040,500	\$40,500
Finance and Insurance	103,980	\$ 4,733,513,200	\$45,500
Real Estate and Rental and Leasing	35,210	\$ 976,788,400	\$27,700
Professional and Technical Services	86,190	\$ 3,786,198,400	\$43,900
Management of Companies and Enterprises	26,730	\$ 1,645,119,700	\$61,500
Administrative and Waste Services	141,010	\$ 3,087,419,700	\$21,900
Educational Services	37,350	\$ 1,016,143,900	\$27,200
Health Care and Social Assistance	298,720	\$ 9,983,530,600	\$33,400
Arts, Entertainment, and Recreation	44,540	\$ 1,110,380,800	\$24,900
Accommodation and Food Services	226,210	\$ 2,547,165,700	\$11,300
Other Services except Public Administration	83,490	\$ 1,828,606,500	\$21,900
<b>Unclassified</b>	<b>Data included in Total UI Covered</b>		
Local Government	265,950	\$ 8,228,274,600	\$30,900
Educational Services	143,890	\$ 4,691,053,500	\$32,600
Health Care and Social Assistance	27,500	\$ 914,695,500	\$33,300
State Government	91,560	\$ 3,055,230,600	\$33,400
Educational Services	50,340	\$ 1,780,377,200	\$35,400
Health Care and Social Assistance	5,060	\$ 147,249,300	\$29,100
<b>Total UI Covered</b>	<b>2,784,820</b>	<b>\$ 92,334,765,300</b>	<b>\$33,200</b>
<b>Federal Government</b>	<b>37,100</b>	<b>\$ 1,850,383,200</b>	<b>\$49,900</b>

**UI COVERED UNEMPLOYMENT – INDIANA TOTALS**



<b>Average Annual Tax per Worker</b>	Average tax rate multiplied by the taxable wage base.
<b>Average Duration</b>	Number of weeks compensated for the year divided by the number of first payments.
<b>Average High-Cost Multiple (AHCM)</b>	Calendar Year Reserve Ratio (or "TF as % of Total Wages"); divided by the Average High Cost Rate.
<b>Average High-Cost Rate (AHCR)</b>	The average of the three highest calendar benefit cost rates in the last 20 years, or a period including three recessions if longer. Benefit cost rates are benefits paid (including the state's share of extended benefits but excluding reimbursable benefits) as a percent of total wages in taxable employment.
<b>Average Weekly Benefit Amount (AWBA)</b>	Benefits paid for total unemployment, divided by weeks compensated for total unemployment.
<b>Average Weekly Wage (AWW)</b>	Total wages (including overtime) divided by covered employment, divided by 52 weeks.
<b>Covered Employment</b>	Number of employees covered by Unemployment Insurance that is reported to the states by employers.
<b>Continued Claims</b>	The number of Indiana residents who filed for either a waiting period week or a compensable week of unemployment.
<b>Disaster Unemployment Assistance</b>	Disaster Unemployment Assistance provides financial assistance to individuals whose employment or self-employment has been lost or interrupted as a direct result of a major disaster declared by the President of the United States. Before an individual can be determined eligible for Disaster Unemployment Assistance, it must be established that the individual is <u>not</u> eligible

for regular unemployment insurance

benefits (under any state or federal law). The program is administered by states as agents of the federal government.

**Maximum Annual Tax per Worker**

Maximum tax rate multiplied by taxable wage base.

**Minimum Annual Tax per Worker**

Minimum tax rate multiplied by taxable wage base.

**Months of Benefits**

Number of months that benefits could be paid if benefit payments continued at their most recent levels and there were no additional funds collected.

**Regular Benefits**

The benefits paid to individuals under a state program, usually the first 26 weeks of benefits, for all weeks compensated including partial payments.

**Temporary Extended Unemployment Compensation (TEUC)**

TEUC provides extra weeks of federally-funded unemployment benefits to unemployed workers throughout the country who have received all regular unemployment benefits available to them.

**Total Unemployment Rate (TUR)**

The rate computed by dividing total unemployment by the civilian labor force.

**Total Wages**

All wages or remuneration paid to workers on all payrolls covered by Unemployment Insurance.

**Weeks Compensated**

The number of weeks claimed, for which UI benefits are paid. Weeks compensated for partial unemployment are included. Interstate claims are counted in the paying state.

**AHCM** - Average High-Cost Multiple  
**AHCR** - Average High-Cost Rate  
**AWBA** - Average Weekly Benefit Amount  
**AWW** - Average Weekly Wage  
**BPC** - Benefit Payment Control (Unit)  
**CS3** - Customer Self Service System  
**DLA** - Desired Level of Achievement  
**DWD** - Department of Workforce Development  
**DUA** - Disaster Unemployment Assistance  
**FUTA** -Federal Unemployment Tax Act  
**GET** - Gain Education and Training  
**HCR** - High Cost Rate  
**IWT** - Incumbent Worker Training  
**NAFTA/TAA** - Transitional Adjustment Assistance Program  
**RFP** - Request for a Proposal  
**RSA** - Regional Skills Alliance  
**STA** - Skilled Trades Apprenticeships  
**SUTA** - State Unemployment Tax Act  
**TAA** - Trade Adjustment Assistance Program  
**TEUC** - Temporary Extended Unemployment Compensation  
**TUR** - Total Unemployment Rate  
**UI** - Unemployment Insurance  
**UIPL** - Unemployment Insurance Program Letter  
**USDOL** - United States Department of Labor  
**WIN** - Workforce Investment Now







**Department of Workforce Development**

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**[www.workforce.IN.gov](http://www.workforce.IN.gov)**

This is an equal opportunity program. Auxiliary Aids and services are available upon request to people with disabilities. For information, contact the DWD Helpline at 1-888-WORKONE or (317) 232-7560 (TDD).